MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

THIS **MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT** ("this Mortgage") is made as of July 1, 1992, by and between:

JEFFERSON STATE BANK, an Illinois banking corporation, not personally but solely as Trustee under Trust Agreement dated June 1, 1992 and known as Trust Number 1807, whose address is 5301 West Lawrence Avenue, Chicago, Illinois 60630-3697 (the "Mortgagor"); and

JEFFERSON STATE BANK, an Illinois banking corporation, whose address is 5301 West Lawrence Avenue, Chicago, Illinois 60630-3697 (the "Mortgagee").

WITNESSETH:

A. Mortgagor has executed and delivered to Mortgagee a PROMISSORY NOTE in the principal amount of ***SEVEN HUNDRED THOUSAND DOLLARS* ($700,000.00)** (which PROMISSORY NOTE, together with all notes issued and accepted in substitution or exchange therefor, and as any of the foregoing may from time to time be modified or extended, is hereinafter sometimes called the "Note"), which Note provides, among other things, for final payment of principal and interest under the Note, if not sooner paid or payable as provided therein, to be due on March 1, 1993, the Note by this reference thereto being incorporated herein; and

B. Mortgagee desires to secure the prompt payment of the Note, together with interest and prepayment fees, if any, thereon in accordance with the terms of the Note, and any additional indebtedness accruing to Mortgagee on account of any future payments, advances or expenditures made by Mortgagee pursuant to the Note or this Mortgage and any additional sums with interest thereon which may be loaned to Mortgagor by Mortgagee or advanced under the "Loan Documents" (as hereinafter defined) (all hereinafter sometimes collectively referred to as the "indebtedness").

NOW, THEREFORE, Mortgagor, to secure payment of the indebtedness and the performance of the covenants and agreements herein contained to be performed by Mortgagor, for good and valuable consideration in hand paid, the receipt and sufficiency whereof are hereby acknowledged, hereby agrees and covenants that:

Granting Clauses

1. Mortgagor hereby irrevocably and absolutely does by these presents grant, mortgage, convey, transfer, assign, bargain and sell to Mortgagee and its successors and assigns, with all powers of sale (if any) and all statutory rights under the laws of the State of Illinois, all

of Mortgagor's present and hereafter acquired estate, right, title and interest in, to and under, and grants to Mortgagee and its successors and assigns a security interest in, the following:

(a) The real property described in EXHIBIT A attached hereto and incorporated herein by this reference, together with all buildings, structures and improvements now or hereafter erected thereupon and together with the fixtures and personal property hereinafter described (which real property, buildings, structures, improvements, fixtures and personal property is hereinafter sometimes referred to as the "Premises");

(b) All and singular the easements, rights-of-way, licenses, permits, rights of use or occupancy, privileges, tenements, appendages, hereditaments and appurtenances and other rights and privileges thereunto belonging or in any wise appertaining, whether now or in the future, and all the rents, issues and profits therefrom, together with all present and future contracts for the sale of the Premises or any part thereof;

(c) All right, title and interest, if any, of Mortgagor in and to the land lying within any street, alley, avenue, roadway or right-of-way open or proposed or hereafter vacated in front of or adjoining said Premises; and all right, title and interest, if any, of Mortgagor in and to any strips and gores adjoining said Premises;

(d) All machinery, apparatus, equipment, goods, systems, building materials, carpeting, furnishings, fixtures and property of every kind and nature whatsoever, now or hereafter located in or upon or affixed to the said Premises, or any part thereof, or used or usable in connection wth any construction on or any present or future operation of said Premises, now owned or hereafter acquired by Mortgagor, including, but without limitation of the generality of the foregoing: all heating, lighting, refrigerating, ventilating, air-conditioning, air-cooling, fire extinguishing, plumbing, cleaning, communications and power equipment, systems and apparatus; and all elevators, switchboards, motors, pumps, screens, awnings, floor coverings, cabinets, partitions, conduits, ducts and compressors; and all cranes and craneways, oil storage, sprinkler/fire protection and water service equipment; and also including any of such property stored on said Premises or in warehouses and intended to be used in connection with or incorporated into said Premises; it being understood and agreed that all such machinery, equipment, apparatus, goods, systems, fixtures, and property are a part of the said Premises and are declared to be a portion of the security for the indebtedness secured hereby (whether in single units or centrally controlled, and whether physically attached to said real estate or not), excluding, however, personal property owned by tenants of the Premises; and

(e) Any and all awards, payments or insurance proceeds, including interest thereon, and the right to receive the same, which may be paid or payable with respect to the Premises as a result of: (1) the exercise of the right of eminent domain; or (2) the alteration of the grade of any street; or (3) any fire, casualty, accident, damage or other injury to or decrease in the value of the Premises, to the extent of all amounts which may be secured by this Mortgage at the date of receipt of any such award or payment by Mortgagee, and of the reasonable counsel fees, costs and disbursements incurred by Mortgagee in connection with the collection of such award or payment. Mortgagor agrees to execute and deliver, from time to time, such further instruments as may be requested by Mortgagee to confirm such assignment to Mortgagee of any such award or payment.

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TO HAVE AND TO HOLD the Premises with all rights, privileges and appurtenances thereunto belonging, and all rents, issues and profits therefrom, unto Mortgagee, its successors and assigns, forever, for the uses and purposes herein expressed.

THIS MORTGAGE IS GIVEN TO SECURE:

(1) Payment of the indebtedness;

(2) Payment of such additional sums with interest thereon which may hereafter be loaned to Mortgagor by Mortgagee or advanced under the Loan Documents, even though the aggregate amount outstanding at any time may exceed the original principal balance stated herein and in the Note (provided, however, that the indebtedness secured hereby shall in no event exceed an amount equal to three hundred percent (300%) of the face amount of the Note); and

(3) The due, prompt and complete performance of each and every covenant, condition and agreement contained in this Mortgage, the Note, and every other agreement, document and instrument to which reference is expressly made in this Mortgage or which at any time evidences or secures the indebtedness evidenced by the Note (this Mortgage, the Note and all such other instruments are hereinafter sometimes collectively referred to as the "Loan Documents").

Maintenance, Repair and Restoration of Improvements, Payment of Prior Liens, etc.

2. Mortgagor shall: (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed, such buildings or improvements to be of at least equal value and substantially the same character as prior to such damage or destruction; (b) keep said Premises in good condition and repair, without waste, and free from mechanics' liens or other liens or claims for lien (except the lien of current general taxes duly levied and assessed but not yet due and payable); (c) immediately pay when due any indebtedness which may be secured by a lien or charge on the Premises (no such lien, except for current general taxes duly levied and assessed but not yet payable, to be permitted hereunder), and upon request exhibit satisfactory evidence of the discharge of such lien to Mortgagee; (d) complete within a reasonable time any building or buildings now or at any time in process of erection upon said Premises; (e) comply with all requirements of law (including, without limitation, pollution control and environmental protection laws), ordinance or other governmental regulation in effect from time to time affecting the Premises and the use thereof, and covenants, easements and restrictions of record with respect to the Premises and the use thereof; (f) make no alterations in said Premises; (g) suffer or permit no change in the general nature of the occupancy of the Premises, without Mortgagee's written consent; (h) initiate or acquiesce in no zoning reclassification or variance without Mortgagee's written consent; and (i) pay each item of indebtedness secured by this Mortgage when due according to the terms hereof or of said Note.

Right to Contest Mechanics' Liens

2A. Notwithstanding the foregoing prohibition against mechanics' liens against the Premises, Mortgagor may in good faith and with diligence contest the validity or amount of any

mechanics' lien and defer payment and discharge thereof during the pendency of such contest, provided that: (i) at the time that Mortgagor receives notice of said mechanics' lien, Mortgagor is not in default hereunder; (ii) such contest shall have the effect of preventing the sale or forfeiture of the Premises or any part thereof, or any interest therein, to satisfy such mechanics' lien; (iii) within ten (10) days after Mortgagor has been notified of the filing of such mechanics' lien, Mortgagor shall have notified Mortgagee in writing of Mortgagor's intention to contest such mechanics' lien; and (iv) that Mortgagor shall have either (y) obtained a title insurance endorsement over such mechanics' lien from the title insurance company that has insured the lien of this Mortgage insuring Mortgagee against loss or damage by reason of the existence of such mechanics' lien or (z) Mortgagor shall have deposited or caused to be deposited with Mortgagee, at such place as Mortgagee may from time to time in writing appoint, and in the absence of such appointment, then at the place of payment designated in the Note, a sum of money which will be sufficient, in the judgment of Mortgagee, to pay in full such mechanics' lien and all interest which might become due thereon and all other fees, costs and expenses incurred by Mortgagee in respect to any such mechanics' lien, and shall keep on deposit an amount so sufficient at all times, increasing such amount to cover additional interest, fees, costs and expenses whenever, in the judgment of Mortgagee, such increase is advisable. Such deposits are to be held without any allowance of interest and need not be kept separate and apart from other funds of Mortgagee.

If Mortgagor (a) has elected to make the deposit referred to in Subparagraph (iv)(z) above but shall fail to maintain or cause to be maintained sufficient funds on deposit, as provided in said Subparagraph, or (b) shall fail to prosecute such contest or cause such contest to be prosecuted with reasonable diligence, or (c) shall fail to pay or cause to be paid the amount of the mechanics' lien, plus any interest finally determined to be due upon the conclusion of such contest, then and in any such event Mortgagee may, at its option, apply any money so deposited in payment of or on account of such mechanic's lien, or that part thereof then unpaid, together with all interest thereon.

If (d) said title insurance company shall fail to discharge such lien promptly after determination of the amount necessary for the purpose, or (e) the amount of money deposited shall be insufficient to discharge such mechanic's lien in full, in either case together with all interest thereon and all other fees, costs and expenses incurred by Mortgagee in respect to any such mechanic's lien, then Mortgagor shall forthwith, upon demand, deposit with Mortgagee a sum which, when added to any funds then on deposit, shall be sufficient to make such payments in full.

If the mechanic's lien contest is ultimately resolved against the Mortgagor, Mortgagee shall apply the money so deposited in full payment of such mechanic's lien or that part thereof then unpaid, together with all interest thereon (provided Mortgagor is not then in default hereunder), when Mortgagee is furnished with evidence satisfactory to Mortgagee of the amount of payment to be made. Any surplus remaining in the control of Mortgagee, excluding any interest earned thereon, shall be paid to Mortgagor, provided Mortgagor is not then in default hereunder.

Payment of Taxes

3. Mortgagor shall pay before any penalty or interest attaches all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges, and all other charges against the Premises of any nature whatsoever when due, and shall, upon written request, furnish to Mortgagee duplicate receipts therefor.

Right to Contest Taxes and Tax Liens

3A. Notwithstanding anything contained herein to the contrary, Mortgagor may in good faith and with diligence contest the validity or amount of any tax lien and defer payment and discharge thereof during the pendency of such contest, provided that: (i) Mortgagor is not in default hereunder; (ii) such contest shall have the effect of preventing the sale or forfeiture of the Premises or any part thereof or any interest therein to satisfy such tax lien; (iii) within ten (10) days after Mortgagor has received its tax bill, but in no event later than ten (10) days before said taxes are due and payable, Mortgagor shall have notified Mortgagee in writing of Mortgagor's intention to contest such taxes; and (iv) Mortgagor shall have either: (y) obtained a title insurance endorsement from the title insurance company that has insured the lien of this Mortgage, which endorsement shall insure the Mortgagee against loss or damage by reason of the existence of such tax lien; or (z) deposited or caused to be deposited with Mortgagee at such place as Mortgagee may from time to time in writing appoint, and in the absence of such appointment, then at the place of payment designated in the Note, a sum of money which will be sufficient in the judgment of Mortgagee to pay in full such tax lien and all interest which might become due thereon and all other fees, costs and expenses incurred and to be incurred by Mortgagee in respect to any such tax lien, and shall keep on deposit an amount so sufficient at all times, increasing such amount to cover additional interest, fees, costs and expenses whenever, in the judgment of Mortgagee, such increase is advisable. Such deposits are to be held without any allowance of interest and need not be kept separate and apart from other funds of Mortgagee.

If Mortgagor (a) has elected to make the deposit referred to in Subparagraph (iv)(z) above but shall fail to maintain or cause to be maintained sufficient funds on deposit as provided in said Subparagraph, or (b) shall fail to prosecute such tax contest or shall fail to cause such contest to be prosecuted with reasonable diligence, or (c) shall fail to pay or cause to be paid the amount of the tax lien plus any interest finally determined to be due upon the conclusion of such contest, then and in any such event Mortgagee may, at its option, apply any money so deposited in payment of or on account of such tax lien, or that part thereof then unpaid, together with all interest thereon.

If (d) said title insurance company shall fail to discharge such lien promptly after determination of the amount necessary for the purpose, or (e) the amount of money deposited shall be insufficient to discharge such tax lien in full, in either case together with all interest thereon and all other fees, costs and expenses incurred by Mortgagee in respect to any such tax lien, then Mortgagor shall forthwith, upon demand, deposit with Mortgagee a sum which, when added to any funds then on deposit, shall be sufficient to make such payments in full.

If the tax lien contest is ultimately resolved against the Mortgagor, Mortgagee shall apply the money so deposited in full payment of such tax lien or that part thereof then unpaid, together with all interest thereon (provided Mortgagor is not then in default hereunder), when Mortgagee is furnished with evidence satisfactory to Mortgagee of the amount of payment to be made. Any surplus remaining in the control of Mortgagee, excluding any interest earned thereon, shall be paid to Mortgagor, provided Mortgagor is not then in default hereunder.

Tax Deposits

4. Intentionally deleted.

Mortgagee's Interest In and Use of Deposits

5. Intentionally deleted.

Insurance

6. Until the indebtedness secured hereby is fully paid, all buildings and improvements upon the Premises and all fixtures, equipment and property therein contained or installed shall be kept unceasingly insured against loss and damage by such hazards, casualties and contingencies in such amounts and for such periods as may from time to time be required by Mortgagee. All insurance shall be written in policies and by insurance companies approved by Mortgagee. All policies of insurance and renewals thereof shall contain standard noncontributory mortgagee clauses as required by Mortgagee or loss payable clauses to the Mortgagee as required by Mortgagee or naming the Mortgagee as an additional insured as required by Mortgagee and shall provide for at least 30 days prior written notice of cancellation to Mortgagee without cost to the Mortgagee as well as a waiver of subrogation endorsement and such other endorsements as Mortgagee shall require. All policies of insurance and renewals thereof shall contain such further endorsements as the Mortgagee may require, in form and content acceptable to the Mortgagee. At Mortgagee's option all policies shall, with all premiums fully paid, be delivered to Mortgagee as issued at least thirty (30) days before the expiration of old policies and shall be held by Mortgagee until all sums hereby secured are fully paid. Upon request by Mortgagee, Mortgagor shall furnish Mortgagee evidence of the replacement cost of the Premises without cost to the Mortgagee. In case of sale pursuant to a foreclosure of this Mortgage or other transfer of title to the Premises and extinguishment of the indebtedness secured hereby, complete title to all policies held by Mortgagee and to all prepaid or unearned premiums thereon shall pass to and vest in the purchaser or grantee. Mortgagee shall not by reason of accepting, rejecting, approving or obtaining insurance incur any liability for payment of losses.

Without in any way limiting the generality of the foregoing, Mortgagor covenants and agrees to maintain insurance coverage on the Premises to include: (i) all risk coverage insurance (including vandalism and malicious mischief) for an amount equal to not less than ninety percent (90%) of the full replacement cost of the improvements and fixtures located on the Premises, written on a replacement cost basis and with a replacement cost endorsement (without depreciation) and an agreed amount endorsement pertaining to the co-insurance clause. If at any time a dispute arises with respect to replacement cost, Mortgagor agrees to provide at Mortgagor's expense, an insurance appraisal prepared by an insurance appraiser approved by

Mortgagee, establishing the full replacement cost in a manner satisfactory to the insurance carrier; (ii) rent loss insurance insuring against loss arising out of the perils insured against in the all risk policy or policies referred to in Subparagraph (i) above, in an amount equal to not less than gross revenue from the premises for twelve (12) months from the operation and rental of all improvements now or hereafter forming part of the Premises, based upon one hundred percent (100%) occupancy of such improvements, less any allocable charges and expenses which do not continue during the period of restoration; (iii) comprehensive general public liability and property damage insurance with a broad form coverage endorsement for an amount as reasonably required from time to time by the Mortgagee but not less than an aggregate amount of THREE MILLION DOLLARS ($3,000,000.00) per location and an occurrence limit of not less than ONE MILLION DOLLARS ($1,000,000.00) combined single limit; (iv) flood insurance whenever in the opinion of Mortgagee such protection is necessary and is available; (v) insurance covering pressure vessels, pressure piping and machinery, if any, and all major components of any centralized heating or air-conditioning systems located in the buildings and improvements forming part of the Premises, in an amount satisfactory to Mortgagee, such policies also to insure against physical damage to such buildings and improvements arising out of peril covered thereunder; (vi) such other insurance that may be required from time to time by Mortgagee.

Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder.

Insurance Premium Deposits

7. Intentionally deleted.

Adjustment of Losses with Insurer and Application of Proceeds of Insurance

8. In case of loss or damage by fire or other casualty, Mortgagor shall immediately give Mortgagee and the insurance companies that have insured against such risks, notice of such loss or damage; and Mortgagee is authorized: (a) to settle and adjust any claim under insurance policies which insure against such risks; or (b) to allow Mortgagor to agree with the insurance company or companies on the amount to be paid in regard to such loss. In either case, Mortgagee is authorized to collect and receipt for any such insurance money.

If: (a) the damaged or destroyed buildings and improvements on the Premises can be rebuilt or repaired within the unexpired term of the Loan secured hereby; (b) the value of the Premises after completion, as reasonably projected by the Mortgagee, will be sufficient to repay the Loan in full after paying all costs of completion; (c) no insurer denies liability as to any insured; and (d) this Mortgage is not in default; then such insurance proceeds, after deducting therefrom any expenses incurred in the collection thereof, shall be made available by the Mortgagee for the rebuilding or restoration of the buildings and improvements on the Premises. In all other cases, such insurance proceeds may, at the option of the Mortgagee, either (i) be applied in the reduction of the indebtedness secured hereby, whether due or not, in such order as Mortgagee shall determine, or (ii) be held by the Mortgagee and used to reimburse Mortgagor for the cost of rebuilding or restoration of buildings or improvements on said Premises.

In any event, the buildings and improvements shall be so restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction. In any case in which the insurance proceeds are made available for rebuilding and restoration, such proceeds shall be disbursed upon the disbursing party being furnished with: (i) satisfactory evidence of the estimated cost of completion thereof and adequate assurance of availability of funding to pay all such estimated costs in full; and (ii) architects' certificates, waivers of lien, contractors' and subcontractors' sworn statements, title insurance endorsements and other evidence of cost and payments so that the disbursing party can verify that the amounts disbursed from time to time are represented by completed and in place work and that said work is free and clear of mechanics' lien claims.

No payment made prior to the final completion of the work shall exceed ninety percent (90%) of the value of the work performed from time to time, and at all times the undisbursed balance of such proceeds remaining in the hands of the disbursing party shall be at least sufficient to pay for the cost of completion of the work free and clear of liens. If the cost of rebuilding, repairing or restoring the buildings and improvements can reasonably exceed the sum of FIFTY THOUSAND AND NO/100 DOLLARS ($50,000.00), then the Mortgagee shall approve plans and specifications of such work before such work shall be commenced. If the proceeds are made available by the Mortgagee to reimburse the Mortgagor for the cost of said rebuilding or restoration, any surplus of such cost of rebuilding or restoration shall, at the option of the Mortgagee, be applied on account of the indebtedness secured hereby or be paid to any party entitled thereto and under the conditions that the Mortgagee may require. No interest shall be allowed to Mortgagor on any proceeds of insurance held by the Mortgagee.

Stamp Tax

9. If, by the laws of the United States of America, or of any state having jurisdiction over the Mortgagor, any tax is due or becomes due in respect of the issuance of the Note hereby secured, the Mortgagor covenants and agrees to pay such tax in the manner required by any such law. The Mortgagor further covenants to reimburse the Mortgagee for any sums which Mortgagee may expend by reason of the imposition of any tax on the issuance of the Note secured hereby.

Observance of Lease and Contract of Sale Assignment

10. As additional security for the payment of the Note secured hereby and for the faithful performance of the terms and conditions contained herein, Mortgagor and its beneficiary, as landlords and contract vendors, have assigned to the Mortgagee all of their respective rights, title and interest: (i) as landlords, in and to all present and future leases of the Premises, and the rents, issues and profits therefrom; and (ii) as contract vendors, in and to all present and future contracts for the sale of the Premises.

All such contracts and lease forms and rental rates for the Premises or any part thereof are subject to the approval of the Mortgagee. Mortgagor will not, without Mortgagee's prior written consent, make (i) any lease of all or any part of the Premises on any form or at any rental rate, nor (ii) any contract for the sale of all or any part of the Premises, in either case if not theretofore approved by Mortgagee. All leases shall require actual occupancy by the lessees thereunder.

Mortgagor will not, without Mortgagee's prior written consent: (i) execute an assignment or pledge of any rents or leases of the Premises; nor (ii) accept any prepayment of any installment of any rents more than thirty (30) days before the due date of such installment.

Mortgagor and its beneficiary, at their sole cost and expense will: (i) at all times promptly and faithfully abide by, discharge and perform all of the covenants, conditions and agreements contained in all leases and contracts of sale of the Premises or any part thereof, on the part of the landlord or contract vendor thereunder to be kept and performed; (ii) enforce or secure the performance of all of the covenants, conditions and agreements of such leases or contracts on the part of the lessees or vendees to be kept and performed, but neither Mortgagor nor its beneficiary shall modify, amend, renew, extend, cancel, terminate or accept surrender of any such lease or sale contract without the prior written consent of Mortgagee; (iii) appear in and defend any action or proceeding arising under, growing out of or in any manner connected with such leases or sale contracts or the obligations, duties or liabilities of landlord or of the lessees or the vendor or vendee thereunder; (iv) transfer and assign to Mortgagee upon written request of Mortgagee, any lease, leases, sale contract or sale contracts of the Premises heretofore or hereafter entered into, and make, execute and deliver to Mortgagee upon demand, any and all instruments required to effectuate said assignment(s); (v) furnish Mortgagee, within ten (10) days after a request by Mortgagee so to do, a written statement containing the names of all lessees, terms of all leases of the Premises, including the spaces occupied and the rentals payable thereunder; and (vi) exercise within five (5) days of any demand therefor by Mortgagee any right to request from the lessee under any lease of the Premises or the vendee under any contract of sale a certificate with respect to the status thereof.

Nothing in this Mortgage or in any other documents relating to the loan secured hereby shall be construed to obligate Mortgagee, expressly or by implication, to perform any of the covenants of Mortgagor or its beneficiary as landlord under any of the leases or as vendor under any sale contract assigned to Mortgagee or to pay any sum of money or damages therein provided to be paid by the landlord or vendor, each and all of which covenants and payments Mortgagor and its beneficiary agree to perform and pay.

Neither Mortgagor nor its beneficiary will permit any lease of the Premises nor any contract of sale of the Premises or any part thereof to become subordinate to any lien other than the lien hereof.

In the event of the enforcement by Mortgagee of the remedies provided for by law or by this Mortgage, the lessee under each lease of the Premises shall and the vendee of each contract of sale of the Premises, at the option of the Mortgagee, attorn to any person succeeding to the interest of Mortgagor as a result of such enforcement and shall recognize such successor in interest as landlord under such lease without change in the terms or other provisions thereof, provided, however, that said successor in interest shall not be bound by any payment of rent or additional rent for more than one month in advance or any amendment or modification to any lease made without the consent of Mortgagee or said successor in interest nor by any default by any prior landlord. Each lessee, upon request by said successor in interest, shall execute and deliver an instrument or instruments confirming such attornment.

Mortgagee shall have the option to declare this Mortgage in default because of a default of landlord in any lease of all or any part of the Premises or of the vendor in any contract of sale of all or any part of the Premises, whether or not such default is cured by Mortgagee pursuant to the right granted herein. It is covenanted and agreed that a default under any Assignment of Rents, Leases, Sale Contracts and Security Deposits executed pursuant to this Paragraph 10 or otherwise shall constitute a default hereunder on account of which the whole of the indebtedness secured hereby shall at once, at the option of the Mortgagee, become immediately due and payable without notice to the Mortgagor.

Effect of Extensions of Time

11. If the payment of said indebtedness, or any part thereof, be extended or varied, or if any part of any security for the payment of the indebtedness be released, or if any person or entity liable for the payment of the indebtedness be released, or if the Mortgagee takes other or additional security for the payment of the indebtedness, or if the Mortgagee waives or fails to exercise any right granted herein, or in the Note secured hereby, or in any other instrument given to secure the payment hereof, all persons now or at any time hereafter liable for the payment of the indebtedness, or any part thereof, or interested in the Premises shall be held to assent to such extension, variation, release, waiver, failure to exercise or the taking of additional security, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by the Mortgagee, notwithstanding such extension, variation, release, waiver, failure to exercise, or the taking of additional security.

Effect of Changes in Laws Regarding Taxation

12. In the event of the enactment after this date of any law of the state in which the Premises are located deducting from the value of the land for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Mortgagee's interest in the Premises, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby or the holders thereof, then, and in any such event, the Mortgagor, upon demand by the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee therefor; provided, however, that if in the opinion of counsel for the Mortgagee (a) it might be unlawful to require Mortgagor to make such payment; or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, the Mortgagee may elect, by notice in writing given to the Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable sixty (60) days from the giving of such notice.

Mortgagee's Performance of Defaulted Acts

13. In case of default herein, Mortgagee may, but need not, and whether electing to declare the whole of the indebtedness due and payable or not, and without waiver of any other rights, privileges, powers, options or remedies, make any payment or perform any act herein required of Mortgagor or its beneficiary in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior, *pari passu* or

subordinate encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting said Premises or contest any tax or assessment or cure any default of landlord in any lease of the Premises or cure any default of vendor in any contract for the sale of all or any part of the Premises. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other monies advanced by Mortgagee in regard to any tax referred to in Paragraphs 9 and 12 hereof or to protect the Premises or the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the Default Rate of interest set forth in the Note. 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's Reliance on Tax Bills, Etc.

14. Mortgagee in making any payment hereby authorized: (a) relating to taxes and assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or (b) relating to insurance premiums, may do so according to any bill or statement procured from the appropriate company without inquiry into the accuracy of such bill or statement; or (c) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted.

Acceleration of Indebtedness in Case of Default

15. If:

(a) default is made in the due and punctual payment of the Note secured hereby, or any payment of principal or interest due in accordance with the terms thereof; or

(b) any of the following events shall occur:

(i) the entry of a judgment or order for relief by a court having jurisdiction in respect of the Mortgagor, any beneficiary or beneficiaries thereof or any guarantor of the Note secured hereby, in any involuntary case under the Federal Bankruptcy Laws now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) for the Mortgagor, any beneficiary or beneficiaries thereof or any guarantor of the Note secured hereby or any substantial part of the property of any such individual or entity, or for the winding up or liquidation of the affairs of any such individual or entity and the continuance of any such judgment or order unstayed and in effect for a period of sixty (60) consecutive days; or

(ii) the commencement by the Mortgagor, any beneficiary or beneficiaries thereof or any guarantor of the Note secured hereby of a voluntary case under federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or any other similar laws or the consent by any such individual or

entity to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Mortgagor, any beneficiary or beneficiaries thereof or any guarantor of the Note secured hereby or of any substantial part of the property of any such individual or entity or the making by any such person or entity of an assignment for the benefit of creditors or the failure of any such person or entity generally to pay the debts of any such person or entity as such debts become due, or the taking of action by any such person or entity in furtherance of any of the foregoing; or

(iii) the death of any guarantor of the Note secured hereby unless a beneficiary or beneficiaries of the decedent having a net worth or an aggregate net worth, as the case may be, greater than the net worth of the decedent upon the date hereof shall become liable by assumption under the guaranty within five (5) days after the appointment of the executor or other personal representative; or

(c) default is made in the due observance or performance of any of the other covenants, agreements or conditions hereinbefore or hereinafter contained, required to be kept or performed or observed by the Mortgagor or any beneficiary thereof or any Guarantor of the Note secured hereby which default is not cured within the time (if any) permitted under the Note; or

(d) default is made in the due observance or performance of any of the covenants, agreements or conditions contained and required to be kept or observed by Mortgagor or its beneficiary or beneficiaries or any Guarantor of the Note secured hereby in any other instrument given to secure the payment of the Note secured hereby, which default is not cured within the time (if any) permitted under the Note; or

(e) any warranty, representation, certification, financial statement, or other information furnished or to be furnished by or on behalf of Mortgagor, any beneficiary or beneficiaries thereof or any Guarantor of the Note to Mortgagee to induce Mortgagee to lend the money evidenced by the Note proves to have been materially inaccurate or false in any material respect when made; or

(f) default or breach of any representation or warranty shall occur under any guaranty of payment of the Note;

then and in every such case the whole of the indebtedness hereby secured shall, at once, at the option of the Mortgagee, become immediately due and payable without notice to Mortgagor. If, while any insurance proceeds or condemnation awards are being held by the Mortgagee to reimburse Mortgagor for the cost of rebuilding or restoration of buildings or improvements on the Premises, as set forth in Paragraphs 8 or 21 hereof, the Mortgagee shall be or become entitled to, and shall accelerate the indebtedness secured hereby, then and in such event, the Mortgagee shall be entitled to apply all such insurance proceeds and condemnation awards then held by it in reduction of the indebtedness hereby secured and any excess held by it over the amount of indebtedness then due hereunder shall be returned to Mortgagor or any party entitled thereto without interest.

Foreclosure; Expense of Litigation

16. When the indebtedness hereby secured, or any part thereof, shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof. In any suit 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, appraiser's 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 all such abstracts of title, title searches and examinations, title insurance policies, Torrens' Certificates and similar data and assurances with respect to the title as Mortgagee may deem necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this paragraph mentioned and such expenses and fees as may be incurred in the protection of said Premises and the maintenance of the lien of this Mortgage, including the fees of any attorneys employed by Mortgagee in any litigation or proceeding affecting this Mortgage, said Note or said Premises, including appellate, probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceedings or threatened suit or proceeding shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate of interest as set forth in the Note and shall be secured by this Mortgage.

Application of Proceeds of Foreclosure Sale

17. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding paragraph hereof; second, all other items which may, under the terms hereof or of the Note or under any other instrument given to secure the Note, constitute indebtedness additional to that evidenced by the Note, with interest thereon as herein or therein provided and all principal and interest and other sums (including prepayment premiums) remaining unpaid on the Note; and third, any overplus to any party entitled thereto as their rights may appear.

Appointment of Receiver

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

Premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (a) the indebtedness secured hereby, or by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; and (b) the deficiency in case of a sale and deficiency.

Rights Cumulative; Modification

19. Each right, power and remedy herein conferred upon the 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 herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the 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, and no delay or omission of the Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

Mortgagee's Right of Inspection

20. Mortgagee shall have the right to inspect the Premises at all reasonable times and access thereto shall be permitted for that purpose.

Condemnation

21. Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the entire proceeds of any award or any claim for damages for any of the Premises taken or damaged under the power of eminent domain or by condemnation. The Mortgagee may elect to apply the proceeds of the award upon or in reduction of the indebtedness secured hereby, whether due or not, or make said proceeds available for restoration or rebuilding of the Premises. In the event that the Mortgagee elects to make said proceeds available to reimburse Mortgagor for the cost of the rebuilding or restoration of the buildings or improvements on said Premises, such proceeds shall be made available in the manner and under the conditions that the Mortgagee may require. In any event, the buildings and improvements shall be restored or rebuilt in accordance with plans and specifications to be submitted to and approved by the Mortgagee. If the proceeds are made available by the Mortgagee to reimburse the Mortgagor for the cost of said rebuilding or restoration, any surplus which may remain out of said award after payment of such cost of rebuilding or restoration shall at the option of the Mortgagee be applied on account of the indebtedness secured hereby or be paid to any party entitled thereto. No interest shall be allowed to Mortgagor on the proceeds of any award held by the Mortgagee.

Release Upon Payment and Discharge of Mortgagor's Obligations; Partial Releases

22. Mortgagee shall release this Mortgage and the lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby. Further, Mortgagee agrees to release Parcel 1 of the Premises (as delineated on EXHIBIT A), provided that no uncured event of default has occurred hereunder, upon prepayment of $_____ of principal of the Note secured hereby; and Mortgagee agrees to release Parcel 2 of the Premises (as delineated on EXHIBIT A), provided that no uncured event of default has occurred hereunder, upon prepayment of $_____ of principal of the Note secured hereby.

Giving of Notice

23. Notices. All notices required or permitted under this instrument shall be in writing and shall be given by: (i) hand delivery to the address for notices; (ii) delivery by overnight courier service to the address for notices; or (iii) certified mail, return receipt requested, addressed to the address for notices, by United States Mail, postage prepaid.

All notices shall be deemed received upon the earliest to occur of: (a) the actual receipt of notice by the intended recipient, by telecopy or any other means permitted hereunder; (b) one day after the deposit of such notice with an overnight courier service addressed to the address for notices; or (c) three (3) days after depositing the notice in the United States Mail, as set forth in (iii) above.

All notices shall be addressed to the following addresses:

If to Mortgagor or Beneficiary:

JEFFERSON STATE BANK, not personally but solely as
Trustee under Trust Agreement dated June 1, 1992
and known as Trust Number 1807
5301 West Lawrence Avenue
Chicago, Illinois 60630-3697
Phone: (312)777-4433
Fax: (312)777-6590

With a copy to each of:

THE CHERRY STREET LIMITED PARTNERSHIP, an Illinois limited partnership
c/o **R. H. CHOU COMPANY**
1014 Green Bay Road
Winnetka, Illinois 60093
Attention: Mr. Raymond H. Chou, President
Phone: (708)501-4700
Fax: (708)501-4880

-and

73-63-9239

PAUL KOLPAK, ESQ.
6767 North Milwaukee Avenue, Suite 202
Niles, Illinois 60648
Phone: (708)647-0336
Fax: (708)647-8107

If to Mortgagee:

JEFFERSON STATE BANK
5301 West Lawrence Avenue
Chicago, Illinois 60630-3697
Attention: Mr. John Constant, Senior Vice President
Phone: (312)777-4433
Fax: (312)777-6590

With a copy to:

RICHARD F. KOHN, ESQ.
1501 Woodfield Road, Suite 400 East
Schaumburg, Illinois 60173-4982
Phone: (708)330-8068
Fax: (708)330-8044

These addresses may be changed by notice given as provided herein.

Waiver of Defense

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

Waiver of Statutory Rights

25. Mortgagor shall not, and will not, apply for or avail itself of any appraisement, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws" now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety. Mortgagor does hereby expressly waive any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on behalf of Mortgagor, the trust estate and all persons beneficially interested therein and each and every person, acquiring any interest in or title to the Premises subsequent to the date of this Mortgage.

Furnishing of Financial Statements to Mortgagee

26. Mortgagor covenants and agrees that it (or its beneficiary if the owner of the Premises is a trustee) will keep and 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 the 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 practices 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 the Mortgagee, annually, within ninety (90) days after the end of each fiscal year of the beneficiary of the Mortgagor a copy of a report of the operations of the improvements on the Premises, prepared on a Review basis by a Certified Public Accountant satisfactory to the Mortgagee of recognized standing in the accounting profession, including a balance sheet and supporting schedules and containing a detailed statement of income and expenses. The accountant's certificate to the report shall certify that the accountants' Review was conducted in accordance with guidelines established by the American Institute of Public Accountants (AICPA) for a Review.

Furthermore, the Mortgagor shall furnish, or cause each Guarantor of the Note secured hereby to furnish, to Mortgagee, annually: (i) a copy of each Guarantor's previous years' federal and state personal income tax returns; and (ii) each Guarantor's signed current personal financial statement.

Filing and Recording Fees

27. Mortgagor will pay all filing, registration or recording fees and all expenses incident to the execution and acknowledgement of this Mortgage and all federal, state, county and municipal taxes and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of said Note and this Mortgage.

Business Purpose; Illinois Interest Act Exemption

28. Mortgagor covenants and agrees that all of the proceeds of the Note secured by this Mortgage will be used solely for business purposes and in furtherance of the regular business affairs of the Mortgagor and Mortgagor's beneficiary, and the entire principal obligation secured hereby constitute a "business loan", a "loan made to a corporation" and a "loan secured by a mortgage on real estate", as those terms are defined in, and for all purposes of, Paragraph 6404(1) of Chapter 17 of the Illinois Revised Statutes.

Exculpatory Clause

29. This Mortgage is executed and delivered by the Mortgagor, **JEFFERSON STATE BANK**, an Illinois banking corporation, not personally but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein or in said Note contained shall be construed as creating any liability on JEFFERSON STATE BANK personally to pay the Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant, either expressed or implied herein contained, all such liability, if any, being expressly waived by Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as JEFFERSON STATE BANK personally, in its capacity as Trustee, is concerned, the legal holder or holders of said Note and the owner or owners of any indebtedness accruing hereunder shall look to any or all of the following for the payment thereof: (a) to the Premises hereby conveyed by the enforcement of the lien hereby created, in the manner herein and in said Note provided; (b) to any other security given at any time to secure the payment of said Note; and (c) to the personal liability of any one or more guarantors of the payment of the Note and the performance of the Mortgagor hereunder.

Miscellaneous

30. This Mortgage and all provisions hereof shall extend to and be binding upon Mortgagor and its successors, grantees and assigns, any subsequent owner or owners of the Premises and all persons claiming under or through Mortgagor (but this clause shall not be construed as constituting the consent by Mortgagee to the transfer of any interest in the Premises), and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed said Note or this Mortgage. The word "Mortgagee", when used herein, shall include the successors and assigns of the Mortgagee named herein, and the holder or holders, from time to time, of the Note secured hereby.

If one or more of the provisions contained in this Mortgage or the Note secured hereby, or in any other security documents given at any time to secure the payment of the Note secured hereby, shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Mortgagee, not affect any other provision of this Mortgage, the Note secured hereby or such other security documents and this Mortgage, the Note secured hereby or such other security documents shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein. The validity and interpretation of this Mortgage and of all other documents evidencing or securing the indebtedness shall be construed in accordance with the laws of the State of Illinois.

Mortgagor shall not by act or omission permit any building or other improvement on any premises not subject to the lien of this Mortgage to rely on the Premises or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Premises or any interest therein to be so used. Similarly, no building or other improvement on the Premises shall rely on any premises not subject to the lien of this Mortgage or any interest therein to fulfill

any governmental or municipal requirement. Mortgagor shall not by act or omission impair the integrity of the Premises as a single zoning lot separate and apart from all other premises. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this paragraph shall be void.

Mortgagor, on written request of the Mortgagee, will furnish a signed statement of the amount of the indebtedness secured hereby and whether or not any default then exists hereunder and specifying the nature of such default.

The Note secured hereby requires the payment of a late charge in the event any installment of principal or interest due thereunder and/or any escrow fund payment for taxes and insurance due hereunder shall become overdue for a period in excess of ten (10) days. Said Note requires the payment to the Mortgagee of a late charge of five cents ($0.05) for each dollar so overdue to defray part of the cost of collection. Said late charge shall be secured hereby as indebtedness, as that term is used herein.

Mortgagee shall have the right and option to commence a civil action to foreclose this Mortgage and to obtain a Judgment of Foreclosure and Sale subject to the rights of any tenant or tenants of the Premises. The failure to join any such tenant or tenants as party defendant or defendants in any such civil action or the failure of any Judgment of Foreclosure and Sale to foreclose their rights shall not be asserted by the Mortgagor as a defense in any civil action instituted to collect the indebtedness secured hereby, or any part thereof, or any deficiency remaining unpaid after foreclosure and sale of the Premises, any statute or rule of law at any time existing to the contrary notwithstanding.

At the option of the Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in condemnation) to any and all leases of all or any part of the Premises upon the execution by Mortgagee and recording or registration thereof, at any time hereafter, in the Office of the Recorder of Deeds or Registrar of Titles in and for the county wherein the Premises are situated, of a unilateral declaration to that effect.

All agreements between Mortgagor and Mortgagee (including, without limitation, those contained in this Mortgage and the Note) are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to the Mortgagee exceed the highest lawful rate of interest permissible under the laws of the State of Illinois. If, from any circumstances whatsoever, fulfillment of any provision hereof or the Note or any other documents securing the indebtedness secured hereby, at the time performance of such provision shall be due, shall involve the payment of interest exceeding the highest rate of interest permitted by law which a court of competent jurisdiction may deem applicable hereto, then, *ipso facto*, the obligation to be fulfilled shall be reduced to the highest lawful rate of interest permissible under the laws of the State of Illinois; and if for any reason whatsoever, the Mortgagee shall ever receive as interest an amount which would be deemed unlawful, such interest shall be applied to the payment of the last maturing installment or installments of the principal indebtedness secured hereby (whether or not then due and payable) and not to the payment of interest.

Mortgagor covenants and agrees that it shall constitute a default hereunder if any of the proceeds of the loan for which the Note is given will be used, or were used, as the case may be, for the purpose (whether immediate, incidental or ultimate) of "purchasing" or "carrying" any "margin security" as such terms are defined in Regulation G of the Board of Governors of the Federal Reserve System (12 CFR Part 207) or for the purpose of reducing or retiring any indebtedness which was originally incurred for any such purpose.

To the extent that Mortgagee, on or after the date hereof, pays any sum due under any provision of law or any instrument or document creating any lien prior or superior to the lien of this Mortgage, or Mortgagor or any other person pays any such sum with the proceeds of the loan secured hereby, Mortgagee shall have and be entitled to a lien on the Premises equal in priority to the lien discharged, and Mortgagee shall be subrogated to, and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such lien, which shall remain in existence and benefit Mortgagee in securing the indebtedness secured hereby. Mortgagee shall be subrogated, notwithstanding their release of record, to the lien of all mortgages, trust deeds, superior titles, vendors' liens, liens, charges, encumbrances, rights and equities on the Premises, to the extent that any obligation under any thereof is directly or indirectly paid or discharged with proceeds of disbursements or advances under the Note secured hereby.

Security Agreement

31. Mortgagor and Mortgagee agree that this Mortgage shall constitute a Security Agreement within the meaning of the Illinois Uniform Commercial Code (hereinafter in this paragraph referred to as the "Code") with respect to all sums on deposit with the Mortgagee pursuant to Paragraphs 8 and 21 hereof ("Deposits") and with respect to any property included in the definition herein of the word "Premises", which property may not be deemed to form a part of the real estate described in **EXHIBIT A** or may not constitute a "Fixture" (within the meaning of Section 9-313 of the Code), and all replacements, substitutions and additions to such property and the proceeds thereof, such property and all replacements of substitutions and additions thereto and the proceeds thereof being sometimes hereinafter collectively referred to as the "Collateral", and that a security interest in and to the Collateral and the Deposits is hereby granted to the Mortgagee and the Deposits and all of Mortgagor's right, title and interest therein are hereby assigned to the Mortgagee, all to secure payment of the indebtedness and to secure performance by the Mortgagor of the terms, covenants and provisions hereof. In the event of a default under this Mortgage, the Mortgagee, pursuant to the appropriate provisions of the Code, shall have the option of proceeding with respect to the Collateral in accordance with its rights and remedies with respect to the real property, in which event the default provisions of the Code shall not apply. The parties agree that, in the event the Mortgagee shall elect to proceed with respect to the Collateral separately from the real property, five (5) days' notice of the sale of the Collateral shall be reasonable notice. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by the Mortgagee shall include, but not be limited to, reasonable attorneys' fees and legal expenses incurred by Mortgagee. The Mortgagor agrees that, without the written consent of the Mortgagee, the Mortgagor will not remove or permit to be removed from the Premises any of the Collateral except that so long as the Mortgagor is not in default hereunder, Mortgagor shall be permitted to sell or otherwise dispose of the Collateral when obsolete, worn out, inadequate, unserviceable or unnecessary for use in the operation of the Premises, upon replacing the same or substituting for the same other Collateral at least equal

in value to the initial value to that disposed of and in such a manner so that said Collateral shall be subject to the security interest created hereby and so that the security interest of the Mortgagee shall be first in priority, it being expressly understood and agreed that all replacements of the Collateral and any additions to the Collateral shall be and become immediately subject to the security interest of this Mortgage and covered hereby. The Mortgagor shall, from time to time, on request of the Mortgagee, deliver to the Mortgagee an inventory of the Collateral in reasonable detail. The Mortgagor covenants and represents that all Collateral, and all replacements thereof, substitutions therefor or additions thereto, unless the Mortgagee otherwise consents, now is and will be free and clear of liens, encumbrances or security interest of others. Mortgagor shall, upon demand, execute and deliver to Mortgagee such financing statements and other documents in form satisfactory to Mortgagee, and will 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 first perfected security interest in the Deposits and Collateral, subject to no liens, encumbrances or security interests of others.

This Mortgage also constitutes a financing statement for the purpose of Section 9-402 of the Code and shall constitute a "fixture filing" under such statutes and shall be filed in the real estate records of McHenry County, Illinois.

(1) Name of Debtor:	**JEFFERSON STATE BANK**, an Illinois banking corporation, not personally but solely as Trustee under Trust Agreement dated June 1, 1992 and known as Trust Number 1807
Debtor's Mailing Address:	5301 West Lawrence Avenue Chicago, Illinois 60630-3697
Address of Property:	561-569 Cherry Avenue Winnetka, Illinois 60093
Name of Secured party:	**JEFFERSON STATE BANK**, an Illinois banking corporation
Address of Secured Party:	5301 West Lawrence Avenue Chicago, Illinois 60630-3697

(2) This financing statement covers the Collateral.

(3) Some of the above goods are or are to become fixtures on the real property described herein. Mortgagor is the recorded owner of the real property described herein upon which the foregoing fixtures and other items and types of property are located.

Due on Sale or Further Encumbrance

32. (a) Mortgagor covenants and agrees that Mortgagee, at its option, has the unqualified right to accelerate the maturity of the indebtedness evidenced by the Note and secured hereby causing the full principal balance and accrued interest under the Note, if:

(i) Mortgagor shall, without the prior written consent of Mortgagee, sell, transfer, convey or assign the legal or equitable title to all or any portion of the Premises, whether by operation of law, voluntarily or otherwise, or shall contract to do any of the foregoing; or

(ii) The beneficiary of Mortgagor shall, without the prior written consent of Mortgagee, sell, transfer, convey, assign or create a security interest in the beneficiaicial interest, or any part thereof, under the Trust Agreement with the Mortgagor, whether by operation of law, voluntarily or otherwise, or shall contract to do any of the foregoing; or

(iii) Any general partner of the beneficiary of Mortgagor shall, without the prior written consent of the Mortgagee, sell, transfer, convey, assign or create a security interest in any general partnership interest owned by any such general partner, whether by operation of law, voluntarily or otherwise, or shall contract to do any of the foregoing; or

(iv) Any shareholder of the general partner of the beneficiary of Mortgagor shall, without the prior written consent of the Mortgagee, sell, transfer, convey, assign or create a security interest in any share of stock owned by any such shareholder, whether by operation of law, voluntarily or otherwise, or shall contract to do any of the foregoing; or

(v) Mortgagor shall, without the prior written consent of Mortgagee, directly or indirectly, create, suffer or permit to be created or filed against the Premises, or any portion thereof, or against the rents, issues or profits therefrom (including, without limitation, any lien arising with respect to the delinquent payment of taxes, assessments and other charges described in Paragraph 2 above), any mortgage lien, security interest or other lien or encumbrance, except the lien of current general taxes duly levied and assessed but not yet due and payable and the lien of this Mortgage.

(b) The foregoing provisions of this Paragraph 32 are for the purpose of:

(i) protecting Mortgagee's security, both of repayment of the indebtedness secured hereby and the value of the Premises;

(ii) giving the Mortgagee the full benefit of its bargain with the beneficiaries of Mortgagor; and

(iii) keeping the Premises and the beneficial interest in Mortgagor free of subordinate financing liens or security interests.

Environmental Matters; Notice; Indemnity.

33. (a) Mortgagor will not, and Mortgagor's beneficiary will not, install, use, generate, manufacture, produce, store, release, discharge or dispose of on, under or about the Premises, nor transport to or from the Premises, any "Hazardous Substance" (as defined below) nor allow any other person or entity to do so except in minor amounts and under conditions permitted by applicable laws, regulations and ordinances.

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(b) Mortgagor and Mortgagor's beneficiary will keep and maintain the Premises in compliance with, and shall not cause or permit the Premises to be in violation of, any "Environmental Law" (as defined below).

(c) Mortgagor or Mortgagor's beneficiary will give prompt written notice to Mortgagee of:

(1) any proceeding, investigation or inquiry commenced by any governmental authority with respect to the presence of any Hazardous Substance on, under or about the Premises or the migration thereof to or from adjoining property;

(2) all claims made or threatened by any individual or entity against Mortgagor or Mortgagor's beneficiary or the Premises relating to any loss or injury allegedly resulting from any Hazardous Substance; and

(3) the discovery by Mortgagor or Mortgagor's beneficiary of any occurrence or condition on any real property adjoining or in the vicinity of the Premises which might cause the Premises or any part thereof to be subject to any restriction on the ownership, occupancy, transferability or use of the Premises under any Environmental Law.

(d) Mortgagee shall have the right and privilege to: (i) join in and participate in, as a party if it so elects, any one or more legal proceedings or actions initiated with respect to the Premises under any Environmental Law; and to (ii) have all costs and expenses thereof (including without limitation Mortgagee's reasonable attorneys' fees and costs) paid by Mortgagor.

(e) Mortgagor except Trustee shall protect, indemnify and hold Mortgagee and its directors, officers, employees, agents, successors and assigns harmless from and against any and all loss, damage, cost, expense and liability (including without limitation reasonable attorneys' fees and costs) directly or indirectly arising out of or attributable to the installation, use, generation, manufacture, production, storage, release, threatened release, discharge, disposal or presence of a Hazardous Substance on, under or about the Premises, including without limitation: (i) all foreseeable consequential damages; (ii) the costs of any required or necessary repair, cleanup or detoxification of the Premises; and (iii) the preparation and implementation of any closure, remedial or other required plans. This indemnity shall survive the satisfaction, release or extinguishment of the lien of this Mortgage, including without limitation any extinguishment of the lien of this Mortgage by foreclosure or deed in lieu whereof.

(f) If any investigation, site monitoring, containment, cleanup, removal, restoration or other remedial work of any kind or nature (the "Remedial Work") is necessary or desirable under any applicable federal, state or local law, regulation or ordinance, or under any judicial or administrative order or judgment, or by any governmental person, board, commission or agency, because of or in connection with the current or future presence, suspected presence, release or suspected release of a Hazardous Substance into the air, soil, ground-water, surface water or soil vapor at, on, about, under or within the Premises or portion thereof, Mortgagor or Mortgagor's beneficiary shall within thirty (30) days after written demand for the performance by Mortgagee (or within such shorter time as may be required under applicable law, regulation, ordinance, order or agreement), commence and thereafter diligently prosecute to completion all

such Remedial Work to the extent required by law. All Remedial Work shall be performed by contractors approved in advance by Mortgagee and under the supervision of a consulting engineer approved in advance by Mortgagee. All costs and expenses of such Remedial Work (including without limitation the reasonable fees and expenses of Mortgagee's counsel) incurred in connection with monitoring or review of the Remedial Work shall be paid by Mortgagor. If Mortgagor shall fail or neglect to timely commence or cause to be commenced, or shall fail to diligently prosecute to completion, such Remedial Work, the Mortgagee may (but shall not be required to) cause such Remedial Work to be performed; and all costs and expenses thereof, or incurred in connection therewith (including, without limitation, the reasonable fees and expenses of Mortgagee's counsel), shall be paid by Mortgagor to Mortgagee forthwith after demand and shall be a part of the indebtedness secured hereby.

(g) (1) The term "Environmental Law" means and includes, without limitation, any federal, state or local law, statute, regulation or ordinance pertaining to health, industrial hygiene or the environmental or ecological conditions on, under or about the Premises, including without limitation each of the following: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"); the Resource Conservation and Recovery Act of 1976, as amended ("RCRA"); the Federal Hazardous Materials Transportation Act, as amended; the Toxic Substance Control Act, as amended; the Illinois Environmental Protection Act, as amended; the federal Clean Air Act, as amended; the Federal Water Pollution Control Act, as amended; and the rules, regulations and ordinances of the U.S. Environmental Protection Agency, the Illinois Environmental Protection Agency and the County in which the Premises are located and of all other agencies, boards, commissions and other governmental bodies and officers having jurisdiction over the Premises or the use or operation thereof.

(2) The term "Hazardous Substance" means and includes, without limitation: (i) those substances included within the definitions of "hazardous substances", "hazardous materials", "toxic substances" or "solid waste" in any of the Environmental Laws; (ii) those substances listed in the U.S. Department of Transportation Table or amendments thereto (49 CFR 172.101) or by the U.S. Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and any amendments thereto); (iii) those other substances, materials and wastes which are or become regulated under any applicable federal, state or local law, regulation or ordinance or by any federal, state or local governmental agency, board, commission or other governmental body, or which are or become classified as hazardous or toxic by any such law, regulation or ordinance; and (iv) any material, waste or substance which is any of the following: (A) asbestos; (B) polychlorinated biphenyls; (C) designated or listed as a "hazardous substance" pursuant to §307 or §311 of the Clean Water Act (33 U.S.C. §§1251 et seq.); (D) explosive; or (E) radioactive.

Construction Mortgage

34. This Mortgage secures an obligation incurred for the construction of improvements on the land mortgaged herein and constitutes a "construction mortgage" within the meaning of Section 9-313(1) of the Illinois Uniform Commercial Code.

The proceeds of the loan secured hereby are to be disbursed by Mortgagee to Mortgagor in accordance with the provisions contained in a Project Loan Agreement among Mortgagor, its

92550604

beneficiaries and Mortgagee bearing even date herewith. All advances and indebtedness arising and accruing under said Project Loan Agreement from time to time, shall be secured hereby to the same extent as though said Project Loan Agreement were fully incorporated in this Mortgage; and the occurrence of an event of default under said Project Loan Agreement shall constitute a default under this Mortgage entitling Mortgagee to all of the rights, powers, privileges, options and remedies conferred upon the Mortgagee by the terms of this Mortgage or by law, as in the case of any other default. In the event of conflict between this Mortgage and said Project Loan Agreement, said Project Loan Agreement shall prevail.

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

JEFFERSON STATE BANK, an Illinois banking corporation, not personally but solely as Trustee as aforesaid

By: Penelope Jackson
Its Penelope Jackson
Trust Officer

ATTEST:

By: Eugenia Karwowski
Its (~~Assistant Secretary~~)

Eugenia Karwowski
Asst. Trust Officer

(Impress corporate seal here)

EXECUTED AND DELIVERED BY THE JEFFERSON STATE BANK OF CHICAGO, NOT IN ITS INDIVIDUAL CAPACITY, BUT SOLELY IN THE CAPACITY HEREIN DESCRIBED, FOR THE PURPOSE OF BINDING THE HEREIN DESCRIBED PROPERTY, AND IT IS EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES HERETO, ANYTHING HEREIN TO THE CONTRARY NOTWITHSTANDING, THAT EACH AND ALL OF THE UNDERTAKINGS AND AGREEMENTS HEREIN MADE, ARE MADE AND INTENDED NOT AS PERSONAL UNDERTAKINGS AND AGREEMENTS OF THE TRUSTEE, OR FOR THE PURPOSE OF BINDING THE TRUSTEE PERSONALLY, BUT EXECUTED AND DELIVERED BY THE TRUSTEE SOLELY IN THE EXERCISE OF THE POWERS CONFERRED UPON IT AS SUCH TRUSTEE, AND NO PERSONAL LIABILITY OR PERSONAL RESPONSIBILITY IS ASSUMED BY, OR SHALL AT ANY TIME BE ASSERTED OR ENFORCED AGAINST SAID TRUSTEE ON ACCOUNT HEREOF OR ON ACCOUNT OF ANY UNDERTAKING OR AGREEMENT HEREIN CONTAINED, EITHER EXPRESSED OR IMPLIED, ALL SUCH PERSONAL LIABILITY IF ANY, BEING HEREBY EXPRESSLY WAIVED AND RELEASED BY ALL OTHER PARTIES HERETO, AND THOSE CLAIMING BY, THROUGH, OR UNDER THEM.

9 2 5 5 5 6 0 4

73-63-92391

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this 24th day of July, 1992 by Penelope Jackson, Trust Officer and Eugenia Barnowski, Asst. Trust Officer, ~~(Senior) (Assistant) (Vice) President~~ of JEFFERSON STATE BANK, an Illinois banking corporation, on behalf of the corporation, as Trustee as aforesaid.

Lorraine M. Anderson
NOTARY PUBLIC

(Impress Notarial Seal Here)

My commission expires: Jan 16, 1992

"OFFICIAL SEAL"
Lorraine M. Anderson
Notary Public, State of Illinois
My Commission Expires Jan. 16, 1996

This instrument was prepared by, and after recording, filing or registration, please return it to:
RICHARD F. KOHN, ESQ.
1501 Woodfield Road, Suite 400 East
Schaumburg, Illinois 60173-4982
Phone: (708)330-8068

92555604

BOX 333

COOK COUNTY RECORDER

1992 JUL 29 PM 12: 17 92555604

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

LOT 1 IN CHOU'S RESUBDIVISION, A RESUBDIVISION OF LOT 7 AND THE WEST 50 FEET OF LOT 8 IN SHERLOCK'S SUBDIVISION OF BLOCK 40 IN WINNETKA, BEING A RESUBDIVISION OF PART OF SECTION 21, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SAID RESUBDIVISION RECORDED JUNE 11, 1992, 1992 AS DOCUMENT NUMBER 92414172, IN COOK COUNTY, ILLINOIS.

Property Address: 569 Cherry Street, Winnetka, Illinois 60093

Permanent Index Number: 05-21-118-007 & 008

PARCEL 2:

LOT 2 IN CHOU'S RESUBDIVISION, A RESUBDIVISION OF LOT 7 AND THE WEST 50 FEET OF LOT 8 IN SHERLOCK'S SUBDIVISION OF BLOCK 40 IN WINNETKA, BEING A RESUBDIVISION OF PART OF SECTION 21, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SAID RESUBDIVISION RECORDED JUNE 11, 1992, 1992 AS DOCUMENT NUMBER 92414172, IN COOK COUNTY, ILLINOIS.

Property Address: 561 Cherry Street, Winnetka, Illinois 60093

Permanent Index Number: