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MORTGAGE

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PREPARED BY AND MAIL TO:
JOHN M. KENNELLY
KENNELLY & ASSOCIATES
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DEPT-01 RECORDING \$77.00
T#0012 TRAN 8888 01/25/96 14:39:00
\$1299 + CG *-96-068582
COOK COUNTY RECORDER

NAME & ADDRESS OF BORROWER:
MARCO A. LEMONCELLO AND
NANCY M. LEMONCELLO
2511 NORTH PULASKI ROAD
CHICAGO, IL 60639

The above space for recorder's use only

MORTGAGE

TA 7590 327 F1 2y 4

THIS MORTGAGE made this 18 day of January, 1996, between PIONEER BANK & TRUST COMPANY, as Trustee under Trust Agreement dated January 12, 1996 and known as Trust No. 26123 herein referred to as "Mortgagor" and PIONEER BANK & TRUST COMPANY, an Illinois banking corporation, having an office at 4000 West North Avenue, Chicago, Illinois 60639, herein referred to as "Mortgagee";

W I T N E S S E T H:

That, Whereas, the Mortgagor is justly indebted to the Mortgagee in the principal sum of ONE HUNDRED THIRTEEN THOUSAND AND NO/100THS (\$113,000.00) DOLLARS as evidenced by a certain Note, herein referred to as "Note", of even date herewith executed by Mortgagor, and by MARCO A. LEMONCELLO AND NANCY M. LEMONCELLO made payable to the order of and delivered to the Mortgagee, whereby the Mortgagor promises to pay the said principal sum with interest thereon, from date, at the rate set forth therein, in installments as set forth therein at the office of the Mortgagee aforesaid or at such other place as may be designated in writing by the legal holder thereof, until the entire principal and interest have been paid, but in any event, the principal balance, if any, remaining unpaid plus accrued interest shall be due and payable on March 31, 2001.

NOW, THEREFORE, in order to secure the payment of the said principal sum and interest thereon and the performance of the covenants and agreements herein contained, and also to secure the payment of any and all other indebtedness, direct or contingent, that may now or hereafter become owing hereunder from Mortgagor to Mortgagee, the Mortgagor does by these presents GRANT, BARGAIN, SELL, CONVEY, MORTGAGE and WARRANT unto the Mortgagee, its successors and assigns forever, the following described real estate and all of its estate, right, title and interest therein situated in the City of Chicago, County of Cook, State of Illinois:

[Handwritten signature]

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BOX 333-CTI

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LEGAL DESCRIPTION

(SEE ATTACHED EXHIBIT A)

A. All right, title and interest of Mortgagor, including any after acquired title or reversion, in and to the beds of the ways, streets, avenues, air rights and alleys and adjoining the real estate;

B. All and singular the tenements, hereditaments, easements, appurtenances, passages, waters, water courses, riparian rights, other rights, liberties and privileges thereof or in any way now or hereafter appertaining, including homestead any other claim at law or in equity as well as any after-acquired title, franchise or license and their reversion and reversions and remainder and remainders thereof;

C. All rents, issues, proceeds, and profits accruing and to accrue from said real estate;

D. All buildings and improvements of every kind and description now or hereafter erected or placed thereon and all materials intended for construction, reconstruction, alteration and repairs of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the premises immediately upon the delivery thereof to the said real estate, and all fixtures now or hereafter owned by Mortgagor and attached to or contained in and used in connection with said real estate including but not limited to all machinery, motors, elevators, fittings, radiators, awnings, shades, screens, and all plumbing, heating, lighting, ventilating, refrigerating, incinerating, air-conditioning and sprinkler equipment and fixtures and appurtenances thereto; and all items of furniture, furnishings, equipment and personal property used or useful in the operation of the said real estate; and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to said building or buildings in any manner; it being mutually agreed, intended and declared that all the aforesaid property owned by said Mortgagor and placed by it on the real estate shall, so far as permitted by law, be deemed to form a part and parcel of the real

estate and for the purpose of this Mortgage to be real estate, and covered by this Mortgage; and as to the balance of the property aforesaid, this Mortgage is hereby deemed to be as well a Security Agreement under the provisions of the Uniform Commercial Code for the purpose of creating hereby a security interest in said property, which is hereby granted to the Mortgagee as secured party, securing said indebtedness and obligations.

TO HAVE AND TO HOLD the same unto the Mortgagee and its successors and assigns forever, for the purposes and uses herein set forth.

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PROVIDED, HOWEVER, that if the Mortgagor shall pay the principal and all interest as provided in the Note, and shall pay all other sums hereinafter provided for, or secured hereby, and shall well and truly keep and perform all of the covenants herein contained then this Mortgage shall be released at the cost of the Mortgagor, otherwise to remain in full force and effect.

TO PROTECT THE SECURITY OF THIS MORTGAGE, MORTGAGOR AGREES:

1. Payment of Principal and Interest. To promptly pay the principal of and interest on the indebtedness evidenced by the Note at the times and in the manner herein and in the Note provided.

2. Other payments. To, at the Mortgagee's request, deposit with the Mortgagee, or a depository designated by the Mortgagee, in addition to the monthly installments of principal and interest due under the terms of the Note and concurrently therewith, monthly until the Note is paid, the following:

(a) A sum equal to all taxes and assessments, next due on the premises (all as estimated by the Mortgagee), divided by the number of months to elapse before one month prior to the date when such taxes and assessments will become delinquent;

(b) A sum equal to an installment of the premium or premiums that will become due and payable to renew the insurance as required in paragraph 4 below. Each of such installments shall be in an amount which, by the payment of approximately equal installments, will result in there accumulating in the hands of the depository a sufficient amount of pay renewal premiums upon such policies of insurance, at least one month prior to the expiration date or dates of the policy or policies to be renewed.

All such payments described in this Paragraph 2 shall be held by the Mortgagee or depository in trust without accruing or without any obligation arising for the payment of interest thereon, and shall be used for the payment of taxes and assessments, and insurance premiums as the case may be. All such payments shall be added together with the payments required to be

made under the Note secured hereby and the aggregate amount thereof shall be deposited by the Mortgagor each month in a single payment to be applied by the Mortgagee at its option to the following items in the order set forth: (i) taxes, assessments and insurance premiums; (ii) interest on the Note secured hereby, (iii) amortization of the principal of the said Note.

If the Mortgagee requires the Mortgagor to make the deposits set forth above and if the funds so deposited are insufficient to pay all taxes or assessments when due and premiums for such insurance renewals, the Mortgagor shall within ten (10) days after receipt of demand therefor deposit such additional funds as

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may be necessary to pay such taxes, assessments and premiums. If the funds so deposited exceed the amounts required to pay such items, the excess shall be applied on a subsequent deposit or deposits.

In the event of a default in any of the provisions contained in this Mortgage or in the Note secured hereby, the Mortgagee may at its option, without being required to do so, apply any moneys at the time on deposit pursuant to this paragraph 2 hereof, as any one or more of the same may be applicable, on any of Mortgagor's obligations herein or in the Note contained, in such order and manner as the Mortgagee may elect.

When the indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to Mortgagor or to the then owner or owners of the premises. Such deposits are hereby pledged as additional security for the indebtedness hereunder and shall be held in trust to be irrevocably applied by the depository for the purposes of which made hereunder and shall not be subject to the directions or control of the Mortgagor; provided, however, that neither the Mortgagee nor said depository shall be liable for any failure to apply to the payment of insurance premiums, taxes, and assessments any amount so deposited unless Mortgagor, while not in default hereunder, shall have requested said Mortgagee or depository in writing to make application of such funds to the payment of the particular insurance premiums, taxes or assessments for payment of which they were deposited, accompanied by the bills for such insurance premiums, taxes and assessments. Provided, however, that Mortgagee may make or cause the depository to make any such application of funds without necessity of such request by Mortgagor.

3. Taxes. To pay when due all general taxes, special taxes, special assessments, water charges, sewer service charges, and other charges against the premises, and shall furnish to Mortgagee duplicate receipts therefor within thirty (30) days after payment of such charges are due. Mortgagor may, in good faith and with reasonable diligence, contest the validity or amount of any such taxes or assessments provided: (1) that such contest shall have the effect of preventing the collection of the tax or assessment so contested and the sale or forfeiture of said premises or any part thereof, or any interest therein, to satisfy the same; (2) that Mortgagor has, before such taxes or assessments shall have been increased by any interest, penalties, or costs, notified Mortgagee in writing of the intention of Mortgagor to contest the same, and (3) the Mortgagor shall have 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 office of Pioneer Bank & Trust Company, 4000 West North Avenue, Chicago, Illinois 60639, a sum of money which (when added to funds, if any, then on deposit for such items) shall be sufficient in the judgement of the Mortgagee to pay in full such contested taxes and assessments and all penalties and interest that might become due thereon, and shall

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keep on deposit an amount so sufficient at all times, increasing such amount to cover additional penalties and interest whenever, in the judgment of the Mortgagee, such increase is advisable. In case the Mortgagor shall fail to prosecute such objections with reasonable diligence or shall fail to maintain sufficient funds on deposit as hereinabove provided, the Mortgagee may at its option apply the money so deposited in payment of or on account of such taxes and assessments, or that part thereof then unpaid, together with all penalties and interest thereon. If the amount of the money so deposited shall be insufficient for the payment in full of such taxes and assessments, together with all penalties and interest thereon, the Mortgagor shall forthwith upon demand

either (a) deposit with the Mortgagee the sum which when added to the funds then on deposit shall be sufficient to make such payment in full, or (b) in case the Mortgagee shall have applied funds on deposit on account of such taxes and assessments, restore said deposit to a sufficient amount. The Mortgagee shall, upon the final disposition of such contest, apply the money so deposited in full payment of such taxes and assessments or that part thereof then unpaid, together with all penalties and interest thereon (provided the Mortgagor is not then in default) when so requested in writing by the Mortgagor and furnished with sufficient funds to make such payment in full with an official bill for such taxes.

4. Insurance. (a) Hazard - To keep the improvements now existing or hereafter erected on the premises, insured against loss or damage resulting from fire, windstorm and other hazards, as may be reasonably required by Mortgagee normally insured under the standard Extended Coverage Endorsement, and to pay promptly, when due, any premiums on such insurance. All insurance shall be in form and content as approved by the Mortgagee and shall be carried in companies approved by the Mortgagee and the policies and renewals (or certificates evidencing same), marked "PAID", shall be delivered to the Mortgagee at least thirty (30) days before the expiration of the old policies and shall have attached thereto standard non-contributing mortgage clause(s) in favor of and entitling the Mortgagee to collect any and all of the proceeds payable under all such insurance), as well as standard waiver of subrogation endorsement, all to be in form and content acceptable to the Mortgagee. Mortgagor shall not carry separate insurance, concurrent in kind or form and contributing in the event of loss, with any insurance required hereunder. In the event of a change in ownership or of occupancy of the premises, immediate notice thereof by mail shall be delivered to all insurers. In the event of loss, Mortgagor will give immediate notice by mail to the Mortgagee. The Mortgagor hereby authorizes the Mortgagee, at Mortgagee's option, to adjust, and compromise, any losses under any of the insurance aforesaid and after deducting costs of collection to apply the proceeds at its option, as follows: (a) as a credit upon any portion of the

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indebtedness secured hereby or (b) to restoring the improvements in which event the Mortgagee shall not be obligated to see to the proper application thereof nor shall the amount so released or used be deemed a payment on the indebtedness secured hereby; or (c) to deliver same to the Mortgagor. In the event of foreclosure of this Mortgage, or other transfer of title to the realty encumbered hereby in extinguishment of the indebtedness secured hereby, all right, title and interest of the Mortgagor, in and to any insurance policies then in force, shall pass to the purchaser or grantee. Mortgagee may, at any time and at its own discretion, procure and substitute for any and all of the insurance so held as aforesaid, such other policy or policies of insurance, in such amount, as it may determine.

(b) Liability - To carry and maintain Comprehensive Public Liability Insurance as may be required from time to time by the Mortgagee in forms, amounts and with companies satisfactory to the Mortgagee and shall contain provision for ten (10) days' notice to the Mortgagee prior to any cancellation thereof.

(c) Application of Insurance Proceeds - That notwithstanding any provision herein to the contrary and in particular paragraph 4(a) hereof, in the event of any such loss of damage as therein described to the improvements upon the premises, it is hereby agreed that the Mortgagee shall make the proceeds received under any such insurance policies as therein described available for the rebuilding and restoration of the improvements so damaged, subject to the following conditions: (a) that Mortgagor is not then in default under any of the terms, covenants and conditions hereof; (b) that all then existing leases shall continue in full force and effect without reduction or abatement of rental (except during the period of untenability); (c) that Mortgagee shall first be given satisfactory proof that such improvements have been fully restored or that by the expenditures of such money will be fully restored, free and clear of all liens, except as to the lien of this Mortgage; (d) that in the event such proceeds shall be insufficient to restore or rebuild the said improvements, Mortgagor shall deposit promptly with Mortgagee the amount of deficiency in order to restore and rebuild the said premises; (e) that in the event Mortgagor shall fail within a reasonable time, subject to delays beyond its control, to restore or rebuild the said improvements, then Mortgagee, at its option, may restore or rebuild the said improvements, for or on behalf of the Mortgagor and for such purpose may do all necessary acts, including using said funds deposited by Mortgagor as aforesaid; (f) that waiver of the right of subrogation shall be obtained from any insurer under such policies of insurance who, at that time, claims that no liability exists as to the Mortgagor or the then owner or the assured under such policies; and (g) that the excess of said insurance proceeds above the amount necessary to complete such restoration shall be applied as herein before provided as a

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credit upon any portion, as selected by Mortgagee, or the indebtedness secured hereby. In the event any of the said conditions are not or cannot be satisfied, then the alternate disposition of such insurance proceeds as provided in paragraph 4(a) hereof shall become applicable. Under no circumstances shall Mortgagee become personally liable for the fulfillment of the terms, covenants and conditions contained in any of the said leases nor obligated to take any action to restore the said improvements.

5. Preservation of Premises. That no building or other improvement on the premises shall be altered, removed, or demolished nor shall any fixtures or appliances on, in or about said building or improvements be severed, removed, sold or mortgage, without the consent of Mortgagee and in the event of the demolition or destruction in whole or in part of any of the fixtures, chattels or articles of personal property covered hereby, the same shall be replaced promptly by similar fixtures, chattels and articles of personal property at least equal in quality and condition as those replaced, free from any security interest in or encumbrance thereon or reservation of title thereto; to permit, commit or suffer no waste, impairment or deterioration of said property or any part thereof; to keep and maintain said premises and every part thereof in good repair and condition; to effect such repairs as the Mortgagee may reasonably require and from time to time to make all needful and proper replacements and additions so that said buildings, fixtures, machinery and appurtenances will, at all times, be in good condition, fit and proper for the respective purposes for which they were originally erected or installed; to comply with all statutes, order, requirements or decrees relating to said premises by any Federal, State or Municipal authority; to observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including but not limited to zoning variances, special exceptions and non-conforming uses), privileges, franchises and concessions which are applicable to the said premises or which have been granted to or contracted for by Mortgagor in connection with any existing or presently contemplated use of the said premises.

6. Governmental Regulations & Environmental Laws. The Mortgagor represents and warrants in all material respects the following:

(a) the premises and the operations conducted thereon do not violate any applicable federal, state or local law, statute, ordinance, rule, regulation, order or determination of any governmental authority or any restrictive covenant or deed restriction (recorded or otherwise), including without limitation all applicable zoning ordinances and building codes, flood disaster laws and Environmental Laws (defined below);

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(b) without limitation of Paragraph (a) above, the premises and the operations conducted thereon by the Mortgagor or any current or prior owner or operator of the premises are not in violation of or subject to any existing, pending or threatened action, suit, investigation, inquiry or proceeding by any governmental authority or to any remedial obligations under any Environmental Laws;

(c) all notices, permits, licenses or similar authorizations, if any, required to be obtained or filed in connection with the operation or use of the premises including without limitation past or present treatment, storage, disposal or release of a hazardous substance or solid waste into the environment, have been duly obtained or filed;

(d) the Mortgagor has taken all steps necessary to determine and has determined that no hazardous substances or solid wastes have been disposed of or otherwise released and there has been no threatened release of hazardous substances on or to the premises except in compliance with Environmental Laws;

(e) the Mortgagor has taken all steps necessary to determine that no hazardous substances, hazardous facilities, pollutants or contaminants are located in or on the premises;

(f) the Mortgagor has no material contingent liability in connection with any release or threatened release of any hazardous substance or solid waste into the environment; and

(g) the use which the Mortgagor makes or intends to make of the premises will not result in the unlawful or unauthorized disposal or other release of any hazardous substance or solid waste on or to the premises. Mortgagor shall have ten (10) days to cure the breach of any of the above representations and warranties, after notice of such breach by Mortgagee to Mortgagor. The terms "hazardous substance", "release" and "threatened release" have the meanings specified in CERCLA (defined below), and the terms "solid waste" and "disposal" (or "disposed") have the meanings specified in RCRA; provided, however, in the event either CERCLA or RCRA (defined below) is amended so as to broaden the meaning of any term defined thereby, such broader meanings shall apply subsequent to the effective date of such amendment, and provided further that, to the extent the laws of Illinois shall establish a meaning for "hazardous substance", "release", "solid waste" or "disposal" which is broader than that specified in either CERCLA or RCRA, such broader meaning shall apply with regard to the premises. The terms "hazardous facilities", "pollutants" or "contaminants" shall have the meanings specified in any applicable local, state or federal statute, ordinance, code or regulation.

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6.1 The Mortgagor shall maintain in full force and effect all licenses, bonds, franchises, leases, patents, trademarks, service marks, contracts and other rights necessary to the profitable conduct of its business, including, without limitation, all notices, permits or licenses, if any, filed or obtained with regard to compliance with Environmental Laws. The Mortgagor shall continue in and limit its operations to the same general line or type of business as that presently conducted by it and shall comply with all applicable laws and regulations or all federal, state or local governmental authorities, including, without limitation, all Environmental Laws.

6.2 The Mortgagor shall use its best efforts to cause any and all lessees or other operators of the premises to conduct their respective businesses so as to comply in all material respects with all Environmental Laws; provided, however, that nothing contained in this paragraph shall prevent the Mortgagor from contesting, in good faith and by appropriate legal proceedings, any such laws, regulation or interpretation or application thereof, provided, further, that the Mortgagor shall comply with the order of any court of other governmental body of applicable jurisdiction relating to such Environmental Laws unless the Mortgagor shall currently be prosecuting an appeal or proceedings for review and shall have secured a stay of enforcement or execution or other arrangement postponing enforcement or execution pending such appeal or proceedings for review.

6.3 The Mortgagor shall not permit the presence of any hazardous substances, hazardous facilities, pollutants or contaminants, including asbestos on the premises. If the Mortgagee determines at any time that asbestos exists on or in the premises and may present a health hazard, or if removal of any hazardous substance from the premises is or may be required by applicable governmental or regulatory authorities or pursuant to applicable laws or regulations, the Mortgagee may, in its sole discretion, require the removal or containment of such asbestos or any other hazardous substances at the Mortgagor's sole expense.

6.4 The Mortgagor shall use its best efforts to cause all lessees or other operators of the premises to dispose of any and all hazardous substances or solid waste generated at the premises only at facilities and by carriers maintaining compliance with the Environmental Laws. To the best of the Mortgagor's knowledge, all such lessees are operating in compliance with valid permits under RCRA and any other Environmental Law, and shall use its best efforts to obtain certificates of disposal from all contractors employed in connection with the transport or disposal of such hazardous substances or solid waste.

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6.5 At the Mortgagee's request from time to time, the Mortgagor shall establish and maintain, at its sole expense, a system to assure and monitor continued compliance with the Environmental Laws by any and all lessees and operators of the premises, which system shall include, annual reviews of such compliance by employees or agents of the Mortgagor who are familiar with the requirements of the Environmental Laws and at the request of the Mortgagee no more than once each year, detailed review of such compliance (the "Environmental Report") by an environmental consulting firm acceptable to the Mortgagee; provided, however, that if any Environmental Report indicates any violation of Environmental Laws, such system shall include at the request of the Mortgagee within nine (9) months of the date of such Environmental Report, a detailed review of the status of such violation (a "Supplemental Report") by such environmental consultant. The Mortgagor shall furnish an Environmental Report of such Supplemental Report to the Mortgagee within forty-five (45) days after the Mortgagee so requests, together with such additional information as the Mortgagee may request. If the Mortgagor or any lessees or operators of the premises shall receive (a) notice that any violation of any Environmental Law may have been committed or is about to be committed by the Mortgagor; (b) notice that any administrative or judicial complaint or order has been filed or is about to be filed against the Mortgagor alleging violation of any Environmental Law or requiring the Mortgagor to take any action in connection with the release or threatened release of hazardous substances or solid waste into the environment; or (c) any notice from a federal, state, or local governmental agency, court or private party alleging that the Mortgagor may be liable or responsible for costs associated with a response to or cleanup of a release or disposal of hazardous substance or solid waste into the environment or any damages caused thereby, including without limitation any notice that the Mortgagor is a "potentially responsible party" as defined by CERCLA, the Mortgagor shall provide the Mortgagee with a copy of such notice within ten (10) days of the Mortgagee's receipt thereof. The Mortgagor shall provide the Mortgagee with notice of the enactment or promulgation of any Environmental Law which may result in a material adverse chance in the business, financial condition, or operations of the Mortgagor within fifteen (15) days after the Mortgagor obtains knowledge thereof.

6.6 The Mortgagee, or any person designated by the Mortgagee, shall have the right, from time to time hereafter, to call at the Mortgagor's premises or place or places of business (or any other place where the collateral of any information relating thereto is kept or located) during reasonable business hours, without hindrance or delay, to:

(a) verify such matters concerning the premises as the Mortgagee may consider reasonable under the circumstances;

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(b) inspect the premises, take soil borings and conduct any other tests or procedures at the Mortgagor's expense and inspect any books, records, journals, orders, receipts, correspondence, notices, permits or licenses, with regard to compliance with Environmental Laws, and to determine at the Mortgagor's expense whether any hazardous substances are present on the premises.

The Mortgagor will deliver to the Mortgagee, within ten (10) days of request therefor, any instruments necessary to obtain records from any person maintaining such records. The Mortgagor shall pay on demand or within ten (10) days thereafter all costs and expenses incurred by the Mortgagee in acquiring information pursuant to this section with interest thereon at a per annum rate equivalent to the post maturity rate set forth in the Note. All expenditures incurred pursuant to the powers herein contained shall become a part of the Liabilities secured hereby. The Mortgagee shall not be liable to account to the Mortgagor for any action taken pursuant hereto.

6.7 As used herein, CERCLA means the Comprehensive, Environmental, Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq.

6.8 As used herein, Environmental Laws means any and all laws, statutes, ordinances, rules, regulations, orders, or determinations of any federal or state governmental authority or courts pertaining to health or the environment in effect at any time in any and all jurisdictions in which the Mortgagor is or at any time may be doing business, or where the premises are located, including without limitation, the Clean Air Act, as amended, 42 U.S.C. Section 7401 et seq., the Comprehensive, Environmental, Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq., (CERCLA), the Federal Water Pollution Control Act Amendments, 33 U.S.C. Section 1251 et seq., the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. Section 651 et seq., the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 6901 et seq., (RCRA), the Safe Drinking Water Act, as amended, 42 U.S.C. Section 300(f) et seq., the Toxic Substances Control Act, as amended, 5 U.S.C. Section 2601 et seq., and the Illinois Environmental Protection Act, as amended, Ill. Rev. Stat., Ch. 111 1/2, par. 1021 et seq. (1987).

6.9 As used herein, RCRA means the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 6901 et seq.

7. Creation of Lien. That the Mortgagor will not create, suffer or permit to be created or filed against the premises, any Mortgage Lien or other lien superior to the lien of this Mortgage. The Mortgagor may contest any lien claim arising from any work performed, material furnished or obligations incurred by

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Mortgagor upon furnishing Mortgagee indemnification satisfactory to Mortgagee for the final payment and discharge thereof.

8. Tax. That if at any time the United States Government, or any other governmental subdivision shall require Internal Revenue or other documentary stamps hereon or on the Note, or shall require payment of a tax upon the indebtedness secured hereby, then the said indebtedness and the accrued interest thereon shall be and become due and payable at the election of the Mortgagee thirty (30) days after the mailing of notice of such election to Mortgagor; provided, however, said election shall be unavailing and this Mortgage and the Note shall be and remain in effect, if Mortgagor lawfully may pay for such stamps or such tax including interest and penalties thereon to or for Mortgagee and does in fact pay, when payable, for all such stamps or such tax, as the case may be, including interest and penalties thereon.

9. Effect of Change in Laws Regarding Taxation. In the event of the enactment after this date of any law of the state in which the premises are located deducting from the value of 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 property, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby or the holder thereof, then, and if 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.

10. Mortgagee's Reliance on Governmental, Municipal or Other Charges or Liens. That Mortgagee, is hereby authorized to make any payment or advance in the place and stead of the Mortgagor; relating to taxes, assessments, water rates, sewer rentals and other governmental or municipal charges, fines, impositions, or liens asserted against the premises and any do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of the bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or relating to any apparent or threatened adverse title, lien, statement of lien, encumbrance, claim or charge; or otherwise

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relating to any other purpose herein and hereby authorized, but not enumerated in this paragraph, may do so whenever, in its judgement and discretion, such advance or advances shall seem necessary or desirable to protect the full security intended to be created by this instrument, and provided further that in connection with any such advance, Mortgagee, at its option, may and is hereby authorized to obtain a continuation report of title prepared by a title insurance company, the costs and expenses of which shall be repayable by the Mortgagor without demand and shall be secured thereby.

11. Eminent Domain. Mortgagor agrees that any and all awards heretofore or hereafter made or to be made to the present and all subsequent owners of the premises, by and governmental or other lawful authority for taking, by condemnation or Eminent Domain, the whole or any part of said premises or any building located thereon or any easement therein or appurtenant thereto (including any award from the United States Government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the warrant for payment thereof), are hereby assigned by Mortgagor to Mortgagee, which awards Mortgagee is hereby authorized to collect and receive from such authorities, and to give appropriate receipts and acquittances therefore, and at said Mortgagee's option, to apply the same toward the payment of the amount owing on account of the indebtedness secured hereby and Mortgagee covenants and agrees that Mortgagor will give Mortgagee immediate notice of the actual or threatened commencement of any proceedings under condemnation or Eminent Domain, affecting all or any part of the said premises or any easement therein or appurtenance thereof, including severance and consequential damage and change in grade of streets, and will deliver to Mortgagee copies of any and all papers served in connection with any such proceedings. Mortgagee further covenants and agrees to make, execute and deliver to Mortgagee, at any time or times upon request, free, clear and discharged of any encumbrances of any kind whatsoever, any and all further assignments and/or instruments deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning all awards and other compensation heretofore and hereafter to be made to Mortgagor for any taking, either permanent or temporary, under any such proceeding.

12. Application of Eminent Domain Proceeds. That notwithstanding any provision herein to the contrary and in particular paragraph 11 hereof, in the event of any damage or taking as therein described by eminent domain of less than the entire mortgaged premises, it is hereby agreed that Mortgagee shall make available the proceeds of any award received in connection with and in compensation for any such damage or taking for the purpose of rebuilding and restoring so much of the improvements within the premises affected thereby, subject to the following conditions: (a) that Mortgagor is not then in default

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under any of the terms, covenants and conditions hereof; (b) that all then existing leases affected in any way by such damage or taking shall continue in full force and effect without reduction or abatement of rental (except during the period of untenability); (c) that Mortgagee shall first be given satisfactory proof that such improvements have been fully restored or that by the expenditure of such money will be fully restored, free and clear of all liens, except as to the lien of this Mortgage; (d) that in the event such award shall be insufficient to restore or rebuild the said improvements, Mortgagor shall deposit promptly with Mortgagee the amount of such deficiency, which, together with the award proceeds, shall be sufficient to restore and rebuild the said premises; (e) that in the event Mortgagor shall fail within a reasonable time, subject to delays beyond its control, to restore or rebuild the said improvements, Mortgagee, at its option, may restore or rebuild the said improvements for or on behalf of the Mortgagor and for such purpose may do all necessary acts including using said funds deposited by Mortgagor as aforesaid; (f) that the excess of said award not necessary for completing such restoration shall be applied as hereinbefore provided as a credit upon any portion, as selected by Mortgagee, of the indebtedness secured hereby. In the event any of the said conditions are not or cannot be satisfied, then the alternate disposition of such award as provided herein shall again become applicable. Under no circumstances shall Mortgagee become personally liable for the fulfillment of the terms, covenants, and conditions contained in any of the said leases of the said premises nor obligated to take any action to restore the said improvements.

13. Acknowledgement of Debt. That Mortgagor within fifteen (15) days after Mortgagee's request will furnish a written statement duly acknowledged of the amount due upon this Mortgage and whether any alleged offsets or defenses exist against the indebtedness secured by this Mortgage.

14. Inspection of Premises. That the Mortgagor and all subsequent owners of the premises shall permit the Mortgagee or its representatives to inspect the premises from time to time, at normal business hours, and as frequently as Mortgagee considers reasonable.

15. Assignment of Rents and Leases. That all right, title and interest of the Mortgagor in and to all present Leases affecting the premises, and including and together with any and all future Leases upon all or any part of the premises, and together with all of the rents, income, receipts, revenues, issues and profits from or due or arising out of the premises have been transferred and assigned simultaneously herewith to the Mortgagee as further security for the payment of said indebtedness under provisions of a certain instrument captioned Assignment of Rents and Leases, of even date herewith, executed

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by Mortgagor and to be recorded simultaneously herewith, the terms, covenants and conditions of which are hereby expressly incorporated herein by reference and made a part hereof, with the same force and effect as though the same were more particularly set forth herein. All Leases affecting the premises shall be submitted by the Mortgagor to the Mortgagee for its approval prior to the execution thereof. All approved and executed Leases shall be specifically assigned to Mortgagee by instrument in form satisfactory to Mortgagee. All or any such Leases, shall, at the option of Mortgagee, be paramount or subordinate to this Mortgage.

16. Declaration of Subordination. That at the written 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 thereof, at any time hereafter, in the Office of the Recorder of Deeds in and for the county wherein the premises are situate, of a unilateral declaration to that effect.

17. Purpose of Loan. That Mortgagor represents and agrees that the proceeds of the Note will be used for the purposes specified in 815 ILCS 205, that the principal obligations secured hereby constitute a "business loan" and a loan secured by real estate and which comes within the purview of said Paragraph.

18. Illegality of Terms Hereof. That nothing herein contained nor any transaction related thereto shall be construed or shall so operate either presently or prospectively, (a) to require Mortgagor to pay interest at a rate greater than is now lawful in such case to contract for, but shall require payment of interest only to the extent of such lawful rate, or (b) to require Mortgagor to make any payment or do any act contrary to law, but if any clause and provisions herein contained shall otherwise so operate to invalidate this Mortgage, in whole or in part, then such clauses and provisions only shall be held for naught as though not herein contained and the remainder of this Mortgage shall remain operative and in full force and effect.

19. Prepayment. The loan may be prepaid in whole but not in part, on a regularly scheduled installment date, provided that the Borrower shall have given written notice to the Bank of the date on which the Borrower proposes to make such prepayment (the "Prepayment Date") no later than thirty (30) days prior to the Prepayment Date and the Borrower shall have paid to the Bank on the Prepayment Date the entire unpaid principal amount hereof, all accrued interest thereon and all other sums payable hereunder plus a premium (the "Premium") equal to the difference between (i) the amount of interest which Lender would receive on the Loan at the Interest Rate from the date of prepayment until the

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Maturity Date, and (ii) the amount of interest, as quoted by The Wall Street Journal or another source selected by Lender, which would accrue from the date of prepayment until the Maturity Date on a U.S. Treasury security in an amount equal to the outstanding principal balance of the Loan and maturing as close to the Maturity Date as possible.

20. Execution of Security Agreement and Financing Statement. That Mortgagor within ten (10) days upon request by mail shall execute, acknowledge and deliver to Mortgagee a Security Agreement, Financing Statement or other similar security instrument, in form satisfactory to the Mortgagee, covering all property, of any kind whatsoever owned by the Mortgagor, which, in the sole opinion of Mortgagee, is essential to the operation of the premises and concerning which there may be any doubt whether the title to same has been conveyed by or a security interest perfected by this Mortgage under the laws of the State of Illinois and will further execute, acknowledge and deliver any financing statement, affidavit, continuation statement or certificate or other documents as Mortgagee may request in order to perfect, preserve, maintain, continue and extend the security interest under and the priority of such security instrument. Mortgagor further agrees to pay to Mortgagee on demand all costs and expenses incurred by Mortgagee in connection with the preparation, execution, recording, filing and refiling of any such documents.

21. Releases. That Mortgagee, without notice, and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior liens thereon, may release any part of the premises or any person liable for any indebtedness secured hereby, without in any way affecting the liability of any party to the Note and Mortgage and without in any way affecting the priority of the lien of this Mortgage, to the full extent of the indebtedness remaining unpaid hereunder, upon any part of the security not expressly released, and may agree with any party obligated on said indebtedness or having any interest in the security described herein to extend the time for payment of any part or all of the indebtedness secured hereby. Such agreement shall not, in any way, release or impair the lien hereof, but shall extend the lien hereof as against the title of all parties having any interest in said security which interest is subject to said lien.

In the event the Mortgagee (a) releases, as aforesaid, any part of the security described herein or any person liable for any indebtedness secured hereby; (b) grants an extension of time for any payments of the debt secured hereby; (c) takes other or additional security for the payment thereof; (d) waives or fails to exercise any right granted herein or in said Note, said act or omission shall not release the Mortgagor, subsequent purchasers of the said premises or any part thereof, or makers or sureties

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of this Mortgage or of said Note, or endorsers or guarantors thereof under any covenant of this Mortgage or of said Note, nor preclude the Mortgagee from exercising any right, power, or privilege herein or intended to be granted in the event of any other default then made or any subsequent default.

22. Mortgagor's Agreement to Pay Expenses. To save Mortgagee harmless from all costs and expenses, including reasonable attorneys' fees and costs of a title search, and preparation of survey, incurred by reason of any action, suit, proceeding, hearing, motion or application before any court or administrative body, in and to which Mortgagee may be or become a party by reason hereof, including but not limited to condemnation, bankruptcy, probate and administration proceedings, as well as any other of the foregoing wherein proof of claim is by law required to be filed or in which it becomes necessary to defend or uphold the terms of and the lien created by this Mortgage, and all money paid or expended by Mortgagee in that regard, together with interest thereon from date of such payment at the rate set forth in said Note shall be so much additional Indebtedness secured hereby and shall be immediately and without notice due and payable by Mortgagor.

23. Mortgagee's Performance of Defaulted Acts. In the case of default herein, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting said premises or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other moneys advanced by Mortgagee to protect the premises and the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the Post Maturity 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 the Mortgagor.

24. Default and Foreclosure.

(1) Default. If (a) default be made in payment, when due, of any sum secured hereby, or in any of the other covenants or agreements herein contained to be performed by Mortgagor or, (b) if there be a default in the terms and/or conditions of any other agreement between the Mortgagor and the Mortgagee relating to the sum hereby secured or to any other indebtedness of the Mortgagor to Mortgagee or, (c) if there be a default in the terms or conditions of any other agreement between the Mortgagor or any Guarantor and the Mortgagee, (d) if any proceedings be instituted

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or process issued (i) to enforce any other lien, charge, or encumbrance against the premises, or (ii) against Mortgagor or any guarantor under any bankruptcy or insolvency laws, or (iii) to place the premises or any part thereof in the custody or control of any court through its receiver or other officer, and such proceedings are not dismissed or stayed on appeal or such process withdrawn within ten days after written notice to Mortgagor, or (e) in the event the Mortgagor shall create or permit to exist any mortgage, lien or other encumbrance on the premises other than the encumbrance represented by this Mortgage, or (f) in the event the Mortgagor shall convey title to any person or persons other than the Mortgagor, enter in any lease with a term, including renewal options exercisable at lessee's discretion, in excess of one year, enter into any lease or other agreement containing an option to purchase or receive title to the premises, or shall suffer or permit Mortgagor's equity of redemption to become vested in any person or persons other than the Mortgagor; or (g) if Mortgagor or any guarantor makes any assignment for the benefit of creditors, or is at any time insolvent, or (h) if by or with the consent or at the instance of Mortgagor or any guarantor proceedings to extend the time of payment of any sums secured hereby or to change the terms of this mortgage be instituted; then, all sums secured hereby shall, at the option of Mortgagee, become immediately due and payable without notice, with interest thereon.

(ii) Expense of Foreclosure Litigation. In any suit for foreclose the lien hereof or enforce any other remedy of the Mortgagee under this Mortgage or the Note, there shall be allowed and included as additional indebtedness in the decree for sale or other judgment or decree, 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 searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or 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 attorney employed by the Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the Post Maturity Rate and shall be secured by this Mortgage.

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(iii) Mortgagee's Right of Possession in Case of Default. In any case in which under the provisions of this Mortgage the Mortgagee has a right to institute foreclosure proceedings, whether before or after the whole principal sum secured hereby is declared to be immediately due as aforesaid, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, forthwith, upon demand of Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of the premises or any part thereof personally, or by its agent or attorneys, as for condition broken, and Mortgagee in its discretion may, with or without force and with or without process of law, enter upon and take and maintain possession of all or any part of said premises, together with all documents, books, records, papers and accounts of the Mortgagor or the then owner of the premises relating thereto, and may exclude the Mortgagor, its agents or servants, wholly therefrom and may as attorney in fact or agent of the 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, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues and profits of the premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, hereby granting full power and authority to exercise each and every of the rights, privileges, and powers herein granted at any and all times hereafter, without notice to the Mortgagor, and with full power to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same, to elect to disaffirm any lease or sublease made subsequent to this Mortgage or subordinated to the lien hereof, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the premises as to it may seem judicious, to insure and reinsure the premises and all risk incidental to Mortgagee's possession, operation and management thereof and to receive all of such avails, rents, issues and profits.

(iv) Appointment of Receiver. Upon or at any time after the filing of any action to foreclose this Mortgage, the Court may, upon application, appoint a receiver of said premises. Such appointment may be made either before or after sale without notice, and without regard to the solvency or insolvency, at the time of application for such receiver, of the person or persons, if any, liable for the payment of the indebtedness secured hereby and without regard to the then value of the premises or whether the same shall be then occupied as a homestead or not, and without bond being required of the applicant. Such receiver shall have the power to take possession, control and care of said

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premise and 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 the Mortgagor, its heirs, administrators, executors, successors or assigns, except for the intervention or such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are useful 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: (i) 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; (ii) the deficiency in case of sale and deficiency. Any such proceedings shall in no manner prevent or retard the collection of said debt by foreclosure otherwise.

(v) Application of Proceeds of Foreclosure and Sale. The proceeds of any foreclosure and 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 paragraph 24(ii) hereof; second, all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided at the Post Maturity Rate; third, all principal and interest remaining unpaid on the Note; fourth, any other indebtedness due Mortgagee under the terms of the loan agreement bearing even date herewith, any fifty overplus to Mortgagor, its successors or assigns, as their rights may appear.

(vi) Rescission of or Failure to Exercise Option of Acceleration. That the failure to the Mortgagee to exercise the option for acceleration of maturity and/or foreclosure following any default as aforesaid or to exercise any other option granted to the Mortgagee hereunder in any one or more instances, or the acceptance by Mortgagee of partial payments hereunder shall not constitute a waiver of any such default, except as may be provided by law, nor extend or affect the grace period, if any, but such option shall remain continuously in force. Acceleration of maturity, once claimed hereunder by Mortgagee, may, at the option of Mortgagee, be rescinded by written acknowledgement to that effect by the Mortgagee, but the tender and acceptance of partial payments alone shall not in any way affect or rescind such acceleration of maturity except as may be provided by law nor extend or affect the grace period, if any.

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(vii) Sale of Separate Parcels. That in case of any foreclosure sale of said premises, the same may be sold in one or more parcels.

(viii) Waiver of Statutory Rights. Mortgagor shall not and will not apply for or avail itself of any appraisal, 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 mortgaged property marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the mortgaged property sold as an entirety. Mortgagor hereby waives any and all rights of reinstatement and redemption from sale under any order or decree of foreclosure, pursuant to rights herein granted, on behalf of the Mortgagor, the trust estate and all persons beneficially interested therein, and each and every person acquiring any interest in, or title to the premises described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by the provisions of Chapter 110, Section 15-1601 of the Illinois Revised Statutes.

(ix) Post Maturity Rate. The term Post Maturity Rate is deemed to mean interest at the rate of Eighteen (18%) percent per annum.

25. Rights and Remedies are Cumulative. That the rights and remedies herein provided are cumulative and that the holder of the Note secured hereby and of every other obligation secured hereby may recover judgment thereon, issue execution therefor, and resort to every other right or remedy available at law or in equity, without first exhausting and without affecting or impairing the security or any right or remedy afforded by this Mortgage.

26. Operating Accounts. That Mortgagor shall maintain at Mortgagee, as long as there is any indebtedness due Mortgagee by Mortgagor, all banking accounts necessary for the management and operation of the Premises. Mortgagor hereby agrees to deposit into such account(s) all income and proceeds realized by Mortgagor from the operation of the Premises. All such accounts shall be maintained at Mortgagee without any obligation of Mortgagee to pay interest thereon.

In addition, Mortgagor hereby represents and warrants that all banking account(s) of the owner and holder of the beneficial interest of the Mortgagor shall be maintained at the Mortgagee.

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27. Financial Statements. That Mortgagor shall deliver to the Mortgagee monthly reports of the Borrower's income and expenses in such reasonable detail as the Mortgagee may require signed by the responsible operating official of Borrower. Any detail needed to explain said reports shall be furnished on request from the Mortgagee including but not limited to copies of any subleases of the premises. Mortgagor further agrees to furnish to the Mortgagee financial statements in a form satisfactory to the Mortgagee within ten (10) days of its request from time to time during the term of the loan. If Mortgagor shall at any time fail to furnish to Mortgagee any requested financial statement or report within said ten (10) day period, Mortgagor shall immediately upon demand by Mortgagee pay the Mortgagee a penalty in the amount of \$500.00

28. Debt Service Coverage Ratio. At all times during the term of the Note (including any renewals or extensions thereof), Mortgagor shall maintain a "Debt Service Coverage Ratio" (as that term is hereinafter defined) of 1.25 or higher for the Mortgaged property. As used herein, the term "Debt Service Coverage Ratio" shall mean the quotient derived when "Net Operating Income" (as that term is hereinafter defined) is divided by the then applicable "Debt Service Payment" (as that term is hereinafter defined). At Mortgagee's request, Mortgagor shall furnish such evidence, including without limitation, certified reports, statements and photocopies of leases, in form and substance reasonably satisfactory to Mortgagee, as Mortgagee shall require to verify Mortgagor's compliance with the foregoing requirement. Mortgagor's failure to supply any such requested information within thirty (30) days of the date of a request for such material from Mortgagee or Mortgagor's failure to maintain the Debt Service Coverage Ratio required hereinabove shall constitute a "default" under this Mortgage. As used herein, the term "Net Operating Income" for any period of time shall mean and include: (A) all of Mortgagor's operating gross receipts derived during that period from any and all sources and in any way, manner or respect relating to and/or arising from the Mortgaged Property and/or the operation thereof (including, but not limited to, rental and leasehold income, expenses, reimbursements, service income, parking income, concession income and other operating income) adjusted by deducting (B) the Mortgaged Property, including but not limited to, costs of ordinary and necessary repair and maintenance, costs of cleaning and janitorial service and supplies, management fees, leasing commissions, costs of utilities, real estate taxes and insurance premiums, payments of principal or interest other than the Debt Service Payment, but excluding, depreciation, partnership or corporate distributions, capital expenditures, state, local or federal income taxes and the Debt Service Payment. As used herein, the term "Debt Service Payment", for any period of time, shall mean interest and principal payable to Mortgagee pursuant to the terms of the Note, other than principal and interest due on the maturity date or on

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the date of acceleration of the Note.

29. Giving of Notice. Any notice which either party hereto may desire or be required to give to the other party shall be in writing and the mailing thereof by certified mail addressed to the Mortgagor at 4000 West North Avenue, Chicago, Illinois, 60639, with a copy to Marco A. Lemoncello and Nancy M. Lemoncello, 1727 North 73rd Avenue, Elmwood Park, Illinois 60635, or to the Mortgagee at 4000 West North Avenue, Chicago, Illinois, 60639, or at such other place as either party hereto may by notice in writing designate as a place for service of notice, shall constitute service of notice hereunder.

30. MORTGAGOR HEREBY AGREES THAT, IN THE EVENT MORTGAGOR OR BENEFICIARY OF THE MORTGAGOR SHALL (i) FILE WITH ANY BANKRUPTCY COURT OF COMPETENT JURISDICTION OR BE THE SUBJECT OF ANY PETITION UNDER TITLE 11 OF THE U.S. CODE, AS AMENDED, (ii) BE THE SUBJECT OF ANY ORDER FOR RELIEF ISSUED UNDER SUCH TITLE 11 OF THE U.S. CODE, AS AMENDED, (iii) FILE OR BE THE SUBJECT OF ANY PETITION SEEKING ANY REORGANIZATION, ARRANGEMENT, COMPOSITION, READJUSTMENT, LIQUIDATION, DISSOLUTION, OR SIMILAR RELIEF UNDER ANY PRESENT OR FUTURE FEDERAL OR STATE ACT OR LAW RELATING TO BANKRUPTCY, INSOLVENCY, OR OTHER RELIEF FOR DEBTORS, (iv) HAVE SOUGHT OR CONSENTED TO OR ACQUIESCED IN THE APPOINTMENT OF ANY TRUSTEE, RECEIVER, CONSERVATOR, OR LIQUIDATOR, (v) BE THE SUBJECT OF ANY ORDER, JUDGMENT, OR DECREE ENTERED BY ANY COURT OF COMPETENT JURISDICTION APPROVING A PETITION FILED AGAINST SUCH PARTY FOR ANY REORGANIZATION, ARRANGEMENT, COMPOSITION, READJUSTMENT, LIQUIDATION, DISSOLUTION, OR SIMILAR RELIEF UNDER ANY PRESENT OR FUTURE FEDERAL OR STATE ACT OR LAW RELATING TO BANKRUPTCY, INSOLVENCY, OR RELIEF FOR DEBTORS, MORTGAGEE SHALL THEREUPON BE ENTITLED TO RELIEF FROM ANY AUTOMATIC STAY IMPOSED BY SECTION 362 OF TITLE 11 OF THE U.S. CODE, AS AMENDED, OR OTHERWISE, ON OR AGAINST THE EXERCISE OF THE RIGHT AND REMEDIES OTHERWISE AVAILABLE TO MORTGAGEE AS PROVIDED IN THIS MORTGAGE.

31. Construction. That the realty herein mortgaged being located in the State of Illinois, and the place of contract and payment also being located in Illinois, the Mortgage and the rights and indebtedness hereby secured shall be construed and enforced according to the laws of that State.

32. Binding on Successors and Assigns. This Mortgage and all provisions hereof, shall extend to and be binding upon Mortgagor and all persons claiming under or through Mortgagor, 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 the Note or this Mortgage. The word "Mortgagee" when used herein shall include the successors and assigns of the Mortgagee named herein, and the holder or holders, from time to time, of the Note secured hereby. Whenever used,

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the singular number shall include the plural, the plural the singular and the use of any gender shall include all genders.

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

34. Time is of the Essence. It is specifically agreed that time is of the essence of this Mortgage and that the waiver of the options, or obligations secured hereby, shall not at any time thereafter be held to be abandonment of such rights. Notice of the exercise of any option granted to the Mortgagee herein, or in the Note secured hereby, is not required to be given.

35. Covenants to Run with the Land. That all the covenants hereof shall run with the land.

36. Subordination of Trust Charges. That Mortgagor, as trustee of the aforesaid, hereby covenants and agrees, notwithstanding the provisions of said Trust, that any commissions, fees, charges, expenses, advance of funds of any other sum of money, if any, and the interest thereon, which may be incurred by Mortgagor, as trustee, and if a lien upon said premises shall be subject and subordinate to the lien of the within Mortgage and that any public sale permitted under said Trust shall be made subject to the lien of the within Mortgage upon the said premises.

37. Exculpations. This Mortgage is executed by PIONEER BANK & TRUST COMPANY, not personally, but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said PIONEER BANK & TRUST COMPANY, 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 the said PIONEER BANK & TRUST COMPANY personally to pay the said Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant either express or implied herein contained, all such personal 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 PIONEER BANK & TRUST COMPANY is personally to pay the said Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant either express or implied herein contained, all such personal 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 PIONEER BANK & TRUST COMPANY is personally concerned, the legal holder or holders of said Note and the owner or owners of any indebtedness accruing hereunder shall look to the premises

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hereby conveyed for the payment thereof by the enforcement of the lien hereby created in the manner and in said Note provided and/or to any other security given for the indebtedness evidenced by the Note.

38. Warranties and Representations. The warranties and representations contained in a certain loan agreement executed by Mortgagor and Marco A. Lemoncello and Nancy M. Lemoncello have been refined and all warranties and representations included therein are restated and affirmed.

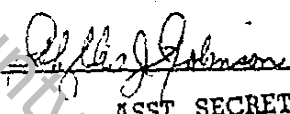
IN WITNESS WHEREOF, PIONEER BANK & TRUST COMPANY, has caused these presents to be signed by its TRUST OFFICER, and its corporate seal to be hereunto affixed and attested by its ASST. SECRETARY the day and year first above written.

PIONEER BANK & TRUST COMPANY, as
Trustee under a Trust Agreement
dated January 12, 1996, and known
as Trust No. 26123.

BY: 

ITS: TRUST OFFICER

ATTEST:


ITS: ASST. SECRETARY

96068582

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

I, Rosa Ibette Cortes, Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Laura Hughes, Trust Officer of PIONEER BANK & TRUST COMPANY and Phyllis Robinson, Assistant Trust Officer of said Trust Company who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Trust Officer, and Assistant Trust Officer respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Trust Company as Trustee as aforesaid for the uses and purposes therein set forth; and the said Assistant Trust Officer then and there acknowledged that they as custodian of the corporate seal of said Trust Company did affix the corporate seal of said Trust Company to said instrument as thier own free and voluntary act and as the free and voluntary act of said Trust Company as Trustee as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 18th day of January, 1996.

Rosa Ibette Cortes
NOTARY PUBLIC

96068582

My commission expires: _____



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EXHIBIT

LEGAL DESCRIPTION

PARCEL 1:

LOT 31 IN OSGOOD AND MUIR'S SUBDIVISION OF THE EAST 1/2 OF THE SOUTH EAST 1/4 OF THE SOUTHWEST 1/4 OF THE SECTION 1, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.I.N.: 16-01-326-033

COMMONLY KNOWN AS: 858 NORTH CALIFORNIA
CHICAGO, IL 60622

PARCEL 2:

THE NORTH 46 FEET OF LOT 8 IN BLOCK 23 IN MILLS AND SONS GREEN FIELDS SUBDIVISION OF THE EAST 1/2 OF THE SOUTHWEST 1/4 AND THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 AND OF THE SOUTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 AND OF THE SOUTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 36, TOWNSHIP 40 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.I.N.: 12-36-422-016

COMMONLY KNOWN AS: 1727 NORTH 13RD AVENUE
ELMWOOD PARK, IL 60635

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