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INSTRUMENT PREPARED BY:
ALLEN C. WESOLOWSKI
MARTIN & KARCAZES, LTD.
30 N. LaSalle St. - Suite 4020
Chicago, Illinois 60602

98924305

2339/0184 30 001 Page 1 of 9
1998-10-15 14:13:32
Cook County Recorder 37.00

MAIL TO:
CHICAGO COMMUNITY BANK
1110 W. 35th Street
Chicago, IL 60609



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JUNIOR MORTGAGE

This mortgage made and entered into this 10th day of September, 1998, by BARBARA PACELLA, L.L.C., an Illinois limited liability company (hereinafter referred to as mortgagor) and CHICAGO COMMUNITY BANK (hereinafter referred to as mortgagee), which maintains an office and place of business at 1110 West 35th Street, Chicago, Illinois 60609.

WITNESSETH, that for the consideration hereinafter stated, receipt of which is hereby acknowledged, the mortgagor does hereby mortgage, sell, grant, assign and convey unto the mortgagee, his successors and assigns, all of the following described property situated and being in the County of Cook, State of Illinois:

See Attached Exhibit A.

Together with and including all buildings, all fixtures including but not limited to all plumbing, heating, lighting, ventilating, refrigerating, incinerating, air conditioning apparatus, and elevators (the mortgagor hereby declaring that it is intended that the items hereinafter enumerated shall be deemed to have been permanently installed as part of the realty), and all improvements now or hereafter existing thereon; the hereditaments and appurtenances and all other rights thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, all rights of redemption, and the rents, issues and profits of the above described property (provided however, that the mortgagor shall be entitled to the possession of said property and to collect and retain the rents, issues, and profits until default hereunder). To have and to hold the same unto the mortgagee and the successors in interest of the mortgagee forever in fee simple or such other estate, if any, as is stated herein.

The mortgagor hereby releases and waives all rights under and by virtue of the homestead exemption laws of the State of Illinois.

The mortgagor covenants that it is lawfully seized and possessed of and has the right to sell and convey said property, that the same is free from all encumbrances except as hereinabove recited; and that it hereby binds itself and its successors in interest to warrant and defend the title aforesaid

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thereto and every part thereof against the claims of all persons whomsoever.

This instrument is given to secure (i) the payment of a promissory note dated September 10, 1998 in the principal sum of \$1,500,000.00, signed by mortgagor in accordance with a Construction Loan Agreement of even date executed by mortgagor and mortgagee; and (ii) any other indebtedness of the mortgagor, either jointly or singly, payable to the mortgagee, howsoever created, evidenced or arising, whether direct or indirect, absolute or contingent, now due or to become due, or now existing or hereafter arising, are herein called the "Indebtedness Hereby Secured." At no time shall the principal amount of the Indebtedness Hereby Secured, not including the sums advanced in accordance herewith to protect the security of this mortgage, exceed the original amount of the note, plus One Million (\$1,000,000.00) Dollars.

1. The mortgagor covenants and agrees as follows:
 - a. It will promptly pay the Indebtedness Hereby Secured.
 - b. It will pay all taxes, assessments, water rates, and other governmental or municipal charges, fines, or impositions, for which provision has not been made hereinbefore, and will promptly deliver the official receipts therefor to the mortgagee.
 - c. It will pay such expenses and fees as may be incurred in the protection and maintenance of said property, including the fees of any attorney employed by the mortgagee for the collection of any or all of the indebtedness hereby secured, or foreclosure by mortgagee's sale, or court proceedings, or in any other litigation or proceeding affecting said property. Attorneys' fees reasonably incurred in any other way shall also be paid by the mortgagor.
 - d. For better security of the Indebtedness Hereby Secured, upon the request of the mortgagee, its successors or assigns, he shall execute and deliver a supplemental mortgage or mortgages covering any additions, improvements, or betterments made to the property hereinabove described and all property acquired by him after the date hereof (all in form satisfactory to mortgagee). Furthermore, should mortgagor fail to cure any default in the payment of a prior or inferior encumbrance on the property described by this instrument, mortgagor hereby agrees to permit mortgagee to cure such default, but mortgagee is not obligated to do so; and such advances shall become part of the indebtedness secured by this instrument, subject to the same terms and conditions.
 - e. The rights created by this conveyance shall remain in full force and effect during any postponement or extension of the time of the payment of the Indebtedness Hereby Secured.
 - f. It will continuously maintain hazard insurance, of such type or types and in such amounts as the mortgagee may from time to time require on the improvements now or hereafter on said property, and will pay promptly when due any premiums thereof. All insurance shall be carried in companies acceptable to mortgagee and the policies and renewals thereof shall be held by

mortgagee and have attached thereto loss payable clauses in favor of and in form acceptable to the mortgagee. In event of loss, mortgagor will give immediate notice in writing to mortgagee, and mortgagee may make proof of loss if not made promptly by mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to mortgagee instead of to mortgagor and mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by mortgagee at its option either to the reduction of the Indebtedness Hereby Secured or to the restoration or repair of the property damaged or destroyed. In event of foreclosure of this mortgage, or other transfer of title to said property in extinguishment of the Indebtedness Hereby Secured, all right, title, and interest of the mortgagor in and to any insurance policies then in force shall pass to the purchaser or mortgagee or, at the option of the mortgagee, may be surrendered for a refund.

g. It will keep all buildings and other improvements on said property in good repair and condition; will permit, commit, or suffer no waste, impairment, deterioration of said property or any part thereof; in the event of failure of the mortgagor to keep the buildings on said premises and those erected on said premises, or improvements thereon, in good repair, the mortgagee may make such repairs as in its discretion it may deem necessary for the proper preservation thereof; and the full amount of each and every such payment shall be immediately due and payable; and shall be secured by the lien of this mortgage.

h. It will not voluntarily create or permit to be created against the property subject to this mortgage any lien or liens inferior or superior to the lien of this mortgage without the written consent of the mortgagee; and further, that it will keep and maintain the same free from the claim of all persons supplying labor or materials for construction of any and all buildings or improvements now being erected or to be erected on said premises. This mortgage is subject and subordinate to an existing mortgage in favor of mortgagee dated June 17, 1997 and recorded June 24, 1997 as Document No. 97456971 to secure an indebtedness in the amount of \$1,200,000.00.

i. It will not rent or assign any part of the rent of said mortgaged property or demolish, or remove, or substantially alter any building without the written consent of the mortgagee.

j. All awards of damages in connection with any condemnation for public use of or injury to any of the property subject to this mortgage are hereby assigned and shall be paid to mortgagee, who may apply the same to payment of the installments last due under said note, and mortgagee is hereby authorized, in the name of the mortgagor, to execute and deliver valid acquittances thereof and to appeal from any such award.

k. The mortgagee shall have the right to inspect the mortgaged premises at any reasonable time.

l. It has not used Hazardous Materials, including, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials defined in any federal, state or local governmental law, ordinance,

rule or regulation, on, from or affecting the premises in any manner which violates federal, state or local laws, ordinances, rules, regulations, or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials, and that, to the best of his knowledge, no prior owner of the premises or any tenant, subtenant, occupant, prior tenant, prior subtenant or prior occupant has used Hazardous Materials on, from or affecting the premises in any manner which violates federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials.

m. It has never received any notice of any violations of federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials and, to the best of his knowledge, there have been no actions commenced or threatened by any party for noncompliance;

n. It shall deliver to mortgagee the Disclosure Document in accordance with Section 4 of the Illinois Responsible Property Transfer Act (hereinafter called "Act") on or before the date hereof, if required to do so under the Act.

o. It shall keep or cause the premises to be kept free of Hazardous Materials, and, without limiting the foregoing, he shall not cause or permit the premises to be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce, or process Hazardous Materials, except in compliance with all applicable federal, state and local laws and regulations, nor shall he cause or permit, as a result of any intentional or unintentional act or omission on his part, or on the part of any tenant, subtenant or occupant, a release of Hazardous Materials onto the premises or onto any other property.

p. It shall:

(i) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials, on, under, from or affecting the premises in accordance with all applicable federal, state, and local laws, ordinances, rules, regulations and policies, to the reasonable satisfaction of Mortgagee, and in accordance with the orders and directives of all federal, state and local governmental agencies; and

(ii) defend, indemnify and hold harmless mortgagee, its employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to: (A) the presence, disposal, release or threatened release of any Hazardous Materials on, over, under, from, or affecting the Premises or the soil, water, vegetation, buildings, personal property, persons or animals thereon; (B) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; (C) any lawsuit brought or threatened, settlement reached or government order

relating to such Hazardous Materials; and/or (D) any violation of laws, orders, regulations, requirements or demands of government authorities, or any policies or requirements of mortgagee, which are based upon or in any way related to such Hazardous Materials including, without limitation, reasonable attorneys' and consultants' fees, investigation and laboratory fees, court costs, and litigation expenses. To the extent of any conflict between the provisions herein and the Environmental Indemnity Agreement of even date executed and delivered to mortgagee by mortgagor, Fred B. Barbara and William Pacella, said Environmental Indemnity Agreement shall control.

2. Default in any of the covenants or conditions of this instrument or of the notes or loan agreement secured hereby shall terminate the mortgagor's right to possession, use, and enjoyment of the property, at the option of the mortgagee or his assigns (it being agreed that the mortgagor shall have such right until default). Upon any such default, the mortgagee shall become the owner of all of the rents and profits accruing after default as security for the indebtedness secured hereby, with the right to enter upon said property for the purpose of collecting such rents and profits, pursuant to the terms of a separate instrument of even date entitled Assignment of Leases and Rents executed by mortgagor.

3. The mortgagor covenants and agrees that if it shall fail to pay the Indebtedness Hereby Secured or any part thereof when due, or shall fail to perform any covenant or agreement of this instrument or any note or guaranty secured hereby, the entire Indebtedness Hereby Secured shall immediately become due, payable and collectible without notice, at the option of the mortgagee or assigns, regardless of the maturity, and the mortgagee or his assigns may before or after entry sell said property without appraisalment (the mortgagor having waived and assigned to the mortgagee all rights of appraisalment) pursuant to the laws of the State of Illinois governing the disposition of said property.

4. The proceeds of any sale of said property in accordance with the preceding paragraph shall be applied first to pay the costs and expenses of said sale, the expenses incurred by the mortgagee for the purpose of protecting and maintaining said property, and reasonable attorneys' fees; secondly, to pay the Indebtedness Hereby Secured; and thirdly, to pay any surplus or excess to the person or persons legally entitled thereto.

5. In the event said property is sold at a judicial foreclosure sale, and the proceeds are not sufficient to pay the Indebtedness Hereby Secured, the mortgagee will be entitled to a deficiency judgment for the amount of the deficiency without regard to appraisalment.

6. In the event the mortgagor fails to pay any Federal, state, or local tax assessment, income tax or other tax lien, charge, fee, or other expense charged against the property the mortgagee is hereby authorized at his option to pay the same. Any sums so paid by the mortgagee shall be added to and become a part of the principal amount of the Indebtedness Hereby Secured, subject to the same terms and conditions applicable under this mortgage and any note or guaranty secured hereby. If the mortgagor shall pay and discharge the Indebtedness Hereby Secured, and shall pay such sums and

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shall discharge all taxes and liens and the costs, fees, and expenses of making, enforcing and executing this mortgage, then this mortgage shall be canceled and surrendered.

7. The covenants herein contained shall bind and the benefits and advantages shall inure to the respective successors and assigns of the parties hereto. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

8. No waiver of any covenant herein or of the obligation secured hereby shall at any time thereafter be held to be a waiver of the terms hereof or of the note secured hereby.

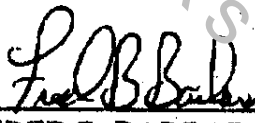
9. A judicial decree, order or judgment holding any provision of this instrument invalid or unenforceable shall not in any way impair or preclude the enforcement of the remaining provisions or portions of this instrument.

10. Any written notice to be issued to the mortgagor pursuant to the provisions of this instrument shall be addressed to the mortgagor at 2558 S. Damen, Chicago, Illinois 60608, and any written notice to be issued to the mortgagee shall be addressed to the mortgagee at 1110 W. 35th St., Chicago, Illinois 60609.

11. The mortgagor, on behalf of it and each and every person claiming by, through, or under him, hereby waives any and all rights of redemption, statutory or otherwise, without prejudice to mortgagee's right to any remedy, legal or equitable, which mortgagee may pursue to enforce payment or to affect collection of all or any part of the indebtedness secured by this mortgage, and without prejudice to mortgagee's right to a deficiency judgment or any other appropriate relief in the event of foreclosure of this mortgage.

IN WITNESS WHEREOF, the mortgagor have executed this instrument and the mortgagee has accepted delivery of this instrument as of the day and year aforesaid.

BARBARA PACELLA, L.L.C.

By: 
FRED B. BARBARA, Manager

By: 
WILLIAM PACELLA, Manager

UNOFFICIAL COPY**EXHIBIT A****LEGAL DESCRIPTION FOR 2500 W. 35TH ST., CHICAGO, ILLINOIS****PARCEL 1:**

LOTS 2, 3, 4, 5 AND PART OF LOT 1 IN CAMPBELL SOUP COMPANY'S (CENTRAL DIVISION) SUBDIVISION, BEING A SUBDIVISION OF PART OF THE NORTHEAST 1/4 OF SECTION 36, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, RECORDED MAY 23, 1930 AS DOCUMENT NUMBER 10667452; ALSO PART OF THE NORTHEAST 1/4 OF SECTION 36, TOWNSHIP AND RANGE AFORESAID, TAKEN AS A TRACT, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWING:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF THE NORTH LINE OF WEST 35TH STREET IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS, 33 FEET NORTH OF THE SOUTH LINE OF SAID NORTHEAST 1/4 OF SECTION 36, WITH THE WEST LINE OF SOUTH CAMPBELL AVENUE IN SAID CITY, AS DEDICATED SEPTEMBER 1, 1904 (NOW VACATED), PRODUCED NORTH; THENCE WEST ON AN ASSIGNED AZIMUTH OF 270 DEGREES 00 MINUTES 00 SECONDS ALONG THE NORTH LINE OF SAID 35TH STREET, 526.77 FEET; THENCE ON AN AZIMUTH OF 00 DEGREES 01 MINUTES 00 SECONDS, 439.60 FEET TO A POINT ON THE EASTERLY EXTENSION OF THE CENTERLINE OF A 24 FOOT CONCRETE FOUNDATION WALL; THENCE CONTINUING ON AN AZIMUTH OF 00 DEGREES 01 MINUTES 00 SECONDS, 386.74 FEET; THENCE ON AN AZIMUTH OF 23 DEGREES 21 MINUTES 52 SECONDS, 83.73 FEET; THENCE ON AN AZIMUTH OF 67 DEGREES 28 MINUTES 17 SECONDS, 83.74 FEET; THENCE ON AN AZIMUTH OF 339 DEGREES 14 MINUTES 27 SECONDS, 46.06 FEET; THENCE ON AN AZIMUTH OF 68 DEGREES 05 MINUTES 58 SECONDS, 43.44 FEET; THENCE NORTHEASTERLY ALONG A TANGENTIAL CURVE CONCAVE TO THE NORTHWEST RADIUS 295.11 FEET, CENTRAL ANGLE 18 DEGREES 28 MINUTES 58 SECONDS 95.17 FEET; THENCE ON AN AZIMUTH OF 49 DEGREES 47 MINUTES 23 SECONDS, 33.91 FEET; THENCE ON AN AZIMUTH OF 36 DEGREES 15 MINUTES 07 SECONDS, 275.76 FEET TO THE SOUTHERLY LINE OF THE CANAL RESERVE OF THE ILLINOIS AND MICHIGAN CANAL, BEING ALSO THE RIGHT-OF-WAY FOR EXPRESSWAY ACCORDING TO DOCUMENT NO. 19024366 RECORDED JANUARY 17, 1964; THENCE ON AN AZIMUTH OF 68 DEGREES 27 MINUTES 00 SECONDS ALONG SAID RIGHT-OF-WAY LINE 152.77 FEET; THENCE ON AN AZIMUTH OF 182 DEGREES 59 MINUTES 01 SECONDS, 7.68 FEET; THENCE SOUTHERLY ALONG A TANGENTIAL CURVE CONCAVE TO THE WEST, RADIUS 204.63 FEET, CENTRAL ANGLE 07 DEGREES 34 MINUTES 06 SECONDS, A DISTANCE OF 27.03 FEET;

THENCE ON AN AZIMUTH OF 214 DEGREES 41 MINUTES 06 SECONDS, 17.55 FEET TO THE AFOREMENTIONED WEST LINE OF SOUTH CAMPBELL AVENUE PRODUCED NORTH; THENCE ON AN AZIMUTH OF 180 DEGREES 18 MINUTES 00 SECONDS ALONG SAID WEST LINE, 164.69 FEET TO THE NORTHWEST CORNER OF LOT 4 AFORESAID; THENCE ON AN AZIMUTH OF 90 DEGREES 18 MINUTES 00 SECONDS ALONG THE NORTH LINE OF LOT 4, A DISTANCE OF 30.00 FEET TO THE NORTHEAST CORNER THEREOF; THENCE ON AN AZIMUTH OF 180 DEGREES 18 MINUTES 00 SECONDS ALONG THE EAST LINE OF LOTS 4, 5 AND 3, A DISTANCE OF 1129.84 FEET TO THE NORTH LINE OF WEST 35TH STREET; THENCE ON AN AZIMUTH OF 270 DEGREES 00 MINUTES 00 SECONDS 30.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

EASEMENTS FOR INGRESS FOR THE BENEFIT OF PARCEL 1 AS CREATED BY DECLARATION OF EASEMENT FOR INGRESS, EGRESS AND ACCESS DATED APRIL 13, 1993 AND RECORDED APRIL 15, 1993 AS DOCUMENT NUMBER 93280729, MADE BY AND BETWEEN AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED JULY 27, 1989 AND KNOWN AS TRUST NUMBER 108-954-07 AND NWS, INC.

PIN: 16-36-201-012-0000
16-36-201-033-0000
16-36-201-036-0000