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This document was prepared by:
STATE BANK OF COUNTRYSIDE
6734 Joliet Road
Countryside, Illinois 60525



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ASSIGNMENT OF LEASES AND RENTS
As Security for a Loan
From STATE BANK OF COUNTRYSIDE

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1. DATE AND PARTIES. The date of this Assignment of Leases and Rents (Agreement) is October 7, 1999, and the parties are the following:

OWNER/BORROWER:

T & B VENTURES, L.L.C.
an ILLINOIS LIMITED LIABILITY COMPANY
933 N. ASHLAND AVE.
CHICAGO, ILLINOIS 60622
Tax I.D. # 36-4293851

REI TITLE SERVICES #

748097
292

BANK:

STATE BANK OF COUNTRYSIDE
an ILLINOIS banking corporation
6734 Joliet Road
Countryside, Illinois 60525
Tax I.D. # 36-2814456

2. OBLIGATIONS DEFINED. The term "Obligations" is defined as and includes the following:

- A. A promissory note, No. 38848723-, (Note) dated October 7, 1999, and executed by T & B VENTURES, L.L.C. (Borrower) payable to the order of Bank, which evidences a loan (Loan) to Borrower in the amount of \$640,000.00, plus interest, and all extensions, renewals, modifications or substitutions thereof.
- B. All future advances by Bank to Borrower, to Owner, to any one of them or to any one of them and others (and all other obligations referred to in the subparagraph(s) below, whether or not this Agreement is specifically referred to in the evidence of indebtedness with regard to such future and additional indebtedness).
- C. All additional sums advanced, and expenses incurred, by Bank for the purpose of insuring, preserving or otherwise protecting the Collateral (as herein defined) and its value, and any other sums advanced, and expenses incurred by Bank pursuant to this Agreement, plus interest at the same rate provided for in the Note computed on a simple interest method.
- D. All other obligations, now existing or hereafter arising, by Borrower owing to Bank to the extent the taking of the Collateral (as herein defined) as security therefor is not prohibited by law, including but not limited to liabilities for overdrafts, all advances made by Bank on Borrower's, and/or Owner's, behalf as authorized by this Agreement and liabilities as guarantor, endorser or surety, of Borrower to Bank, due or to become due, direct or indirect, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several.
- E. Borrower's performance of the terms in the Note or Loan, Owner's performance of any terms in this Agreement, and Borrower's and Owner's performance of any terms in any deed of trust, any trust deed, any trust indenture, any mortgage, any deed to secure debt, any security agreement, any other assignment, any construction loan agreement, any loan agreement, any assignment of beneficial interest, any guaranty agreement or any other agreement which secures, guaranties or otherwise relates to the Note or Loan.

However, this security interest will not secure another debt:

- A. if Bank fails to make any disclosure of the existence of this security interest required by law for such other debt.

3. BACKGROUND. The Loan is secured by, but is not limited to, a mortgage (Mortgage) dated October 7, 1999, on the following described property (Property) situated in COOK County, ILLINOIS, to-wit:

LOTS 1 AND 2 (EXCEPT THE WEST 95 FEET THEREOF) IN BLOCK 2 IN PROVIDENT MUTUAL LAND ASSOCIATION SUBDIVISION OF BLOCKS 7 TO 12, 28 TO 33 AND 54 TO 59 IN VILLAGE OF WINNETKA, BEING A SUBDIVISION OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 20, TOWNSHIP 42 NORTH,

RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS. PIN: 05-20-200-028.

The Property may be commonly referred to as 920 PINE STREET, WINNETKA, IL

4. ASSIGNMENT OF LEASES AND RENTS. Owner grants, bargains, mortgages, sells, conveys, warrants, assigns and transfers to Bank as additional security all the right, title and interest in and to any and all:
- A. Existing or future leases, subleases, licenses, guaranties of performance of any party thereunder and any other written or verbal agreements for the use and occupancy of any portion of the Property, including any extensions, renewals, modifications or substitutions of such agreements (all referred to as "Leases").
 - B. Rents, issues and profits (all referred to as "Rents"), including but not limited to security deposits, minimum rent, percentage rent, additional rent, common area maintenance charges, parking charges, real estate taxes, other applicable taxes, insurance premium contributions, liquidated damages following default, cancellation premiums, "loss of rents" insurance, guest receipts, revenues, royalties, proceeds, bonuses, accounts, contract rights, general intangibles, and all rights and claims which Owner may have that in any way pertains to or is on account of the use or occupancy of the whole or any part of the Property.

In the event any item listed as Leases or Rents is determined to be personal property, this Agreement will also be regarded as a security agreement.

5. COLLECTION OF RENT. Owner may collect, receive, enjoy and use the Rents so long as Owner is not in default. Except for one lease period's rent, Owner will not collect in advance any Rents due in future lease periods, unless Owner first obtains Bank's written consent. Upon default, Owner will receive any Rents in trust for Bank and Owner will not commingle the Rents with any other funds. Any amounts collected shall be applied at Bank's discretion first to costs of managing, protecting and preserving the Property, and to any other necessary related expenses including Bank's court costs. Any remaining amounts shall be applied to reduce the Obligations. Owner agrees that this assignment is immediately effective between the parties to this Agreement and effective as to third parties on the recording of this Agreement. Owner agrees that Bank is entitled to notify Owner or Owner's tenants to make payments of Rents due or to become due directly to Bank after such recording, however Bank agrees not to notify Owner's tenants until Owner defaults and Bank notifies Owner of the default and demands that Owner and Owner's tenants pay all Rents due or to become due directly to Bank. On receiving the notice of default, Owner will endorse and deliver to Bank any payments of Rents.
6. APPLICATION OF COLLATERAL PROCEEDS. Any Rent or other payments received or to be received by virtue of the Collateral, will be applied to any amounts Borrower owes Bank on the Obligations and shall be applied first to costs and expenses, then to accrued interest and the balance, if any, to principal except as otherwise required by law.
7. WARRANTIES AND COVENANTS. To induce Bank to extend credit by entering into the Obligations, Owner makes the following warranties and covenants:
- A. Owner has good title to the Leases, Rents, and Property and the right to grant, bargain, mortgage, sell, convey, warrant, assign and transfer to Bank as additional security the Leases and Rents, and no other person has any right in the Leases and Rents.
 - B. Owner has recorded the Leases as required by law or as otherwise prudent for the type and use of the Property.
 - C. No default exists under the Leases, and the parties subject to the Leases have not violated any applicable law on leases, licenses and landlords and tenants. Owner, at its sole cost and expense, will keep, observe and perform, and require all other parties to the Leases to comply with the Leases and any applicable law. If Owner or any party to the Lease defaults or fails to observe any applicable law, Owner will promptly notify Bank of this non-compliance.
 - D. When any Lease provides for an abatement of Rents due to fire, flood or other casualty, Owner will insure against this risk of loss with a policy satisfactory to Bank.
 - E. Owner will promptly provide Bank with copies of the Leases and will certify these Leases are true and correct copies. The existing Leases will be provided on execution of the Agreement, and all future Leases and any other information with respect to these Leases will be provided immediately after they are executed.
 - F. Immediately after execution of this Agreement, Owner will notify all current and future tenants and others obligated under the Leases of Bank's right to the Leases and Rents, and will request that they immediately pay all future Rents directly to Bank when Owner or Bank demand them to do so.
 - G. When Bank requests, Owner will provide to Bank an accounting of Rents, prepared in a form acceptable to Bank, subject to generally accepted accounting principles in effect when such statements are made, and certified by Owner or Owner's accountant to be current, true, accurate and complete as of the date requested by Bank.
 - H. Owner has not sublet, modified, extended, canceled, or otherwise altered the Leases, or accepted the surrender of the Property covered by the Leases (unless the Leases so required), nor will Owner do so without Bank's written consent.
 - I. Owner has not assigned, compromised, subordinated or encumbered the Leases and Rents, and will not do so without Bank's prior written consent.
 - J. Owner will not enter into any future Leases without prior written consent from Bank and at Bank's request. Owner will execute and deliver such further assurances and assignments as to these future Leases as Bank requires from time to time.
 - K. Owner will not sell or remove any personal property on the Property, unless Owner replaces this personal property with like kind for the same or better value.
 - L. Owner will appear in and prosecute its claims or defend its title to the Leases and Rents against any claims that would impair Owner's interest under this Agreement, and on Bank's request, Owner will also appear in any action or proceeding in the name and on behalf of Bank. Owner will pay Bank for all costs and expenses, including reasonable attorneys' fees, incurred by Bank for appearing in any action or proceeding related to the Leases or Rents. Owner agrees to assign to Bank, as requested by Bank, any right, claims or defenses which Owner may have against parties who supply labor or materials to improve or maintain the leaseholds subject to the Leases and/or the Property.
 - M. Bank does not assume or become liable for the Property's maintenance, depreciation, or other losses or damages when Bank acts to manage, protect or preserve the Property, except for losses or damages due to Bank's gross negligence or intentional torts. Otherwise, Owner will indemnify Bank and hold Bank harmless for any and all liability, loss or damage that Bank may incur when Bank opts to exercise any of its remedies against tenants or others obligated under the Leases.
 - N. Owner will not cause or permit the leasehold estate under the Leases to merge with Owner's reversionary interest, and agrees

that the Leases shall remain in full force and effect regardless of any merger of the Owner's interests and of any merger of the interests of Owner and of tenants and other parties obligated under the Lease.

- O. Bank will be the creditor of each tenant and of anyone else obligated under the Leases who is subject to an assignment for the benefit of creditors, an insolvency, a dissolution or a receivership proceeding, or a bankruptcy.
- P. If Owner becomes subject to a voluntary or involuntary bankruptcy, then Owner agrees that Bank is entitled to receive relief from the automatic stay in bankruptcy for the purpose of making this Agreement effective and enforceable under state and federal law and within Owner's bankruptcy proceedings.

8. **EVENTS OF DEFAULT.** Owner shall be in default upon the occurrence of any of the following events, circumstances or conditions (Events of Default):

- A. Failure by any party obligated on the Obligations to make payment when due; or
- B. A default or breach by Borrower, Owner or any co-signer, endorser, surety, or guarantor under any of the terms of this Agreement, the Note, any construction loan agreement or other loan agreement, any security agreement, mortgage, deed to secure debt, deed of trust, trust deed, or any other document or instrument evidencing, guarantying, securing or otherwise relating to the Obligations; or
- C. The making or furnishing of any verbal or written representation, statement or warranty to Bank which is or becomes false or incorrect in any material respect by or on behalf of Owner, Borrower, or any co-signer, endorser, surety or guarantor of the Obligations; or
- D. Failure to obtain or maintain the insurance coverages required by Bank, or insurance as is customary and proper for the Collateral (as herein defined); or
- E. The death, dissolution or insolvency of, the appointment of a receiver by or on behalf of, the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary termination of existence by, or the commencement of any proceeding under any present or future federal or state insolvency, bankruptcy, reorganization, composition or debtor relief law by or against Owner, Borrower, or any co-signer, endorser, surety or guarantor of the Obligations; or
- F. A good faith belief by Bank at any time that Bank is insecure with respect to Borrower, or any co-signer, endorser, surety or guarantor, that the prospect of any payment is impaired or that the Collateral (as herein defined) is impaired; or
- G. Failure to pay or provide proof of payment of any tax, assessment, rent, insurance premium, escrow or escrow deficiency on or before its due date; or
- H. A material adverse change in Owner's business, including ownership, management, and financial conditions, which in Bank's opinion, impairs the Collateral or repayment of the Obligations; or
- I. A transfer of a substantial part of Owner's money or property.

9. **REMEDIES ON DEFAULT.** At the option of Bank, all or any part of the principal of, and accrued interest on, the Obligations shall become immediately due and payable without notice or demand upon the occurrence of an Event of Default or at any time thereafter. In addition, upon the occurrence of an Event of Default or at any time thereafter by Mortgagor under the Mortgage, Bank, at Bank's option, shall have the right to exercise any or all of the following remedies:

- A. To continue to collect directly and retain Rent in Bank's name without taking possession of the Property and to demand, collect, receive, and sue for the Rent, giving proper receipts and releases, and, after deducting all reasonable expenses of collection, apply the balance as legally permitted to the Note, first to accrued interest and then to principal.
- B. To recover reasonable attorneys' fees to the extent not prohibited by law.
- C. To declare the Obligations immediately due and payable, and, at Bank's option, exercise any of the remedies provided by law, the Note, the Mortgage or this Agreement.
- D. To enter upon, take possession of, manage and operate all or any part of the Property, make, modify, enforce or cancel any Leases, evict any Lessee, increase or reduce Rent, decorate, clean and make repairs, and do any act or incur any cost Bank shall deem proper to protect the Property as fully as Owner could do, and to apply any funds collected from the operation of the Property in such order as Bank may deem proper, including, but not limited to, payment of the following: operating expenses, management, brokerage, attorneys' and accountants' fees, the Obligations, and toward the maintenance of reserves for repair or replacement. Bank may take such action without regard to the adequacy of the security, with or without any action or proceeding, through any person or agent, mortgagee under a mortgage, or receiver to be appointed by a court, and irrespective of Owner's possession.

The collection and application of the Rent or the entry upon and taking possession of the Property as set out in this section shall not cure or waive any default, or modify or waive any notice of default under the Note, Mortgage or this Agreement, or invalidate any act done pursuant to such notice. The enforcement of such remedy by Bank, once exercised, shall continue for so long as Bank shall elect, notwithstanding that such collection and application of Rent may have cured the original default. If Bank shall thereafter elect to discontinue the exercise of any such remedy, the same or any other remedy under the law, the Note, Mortgage or this Agreement may be asserted at any time and from time to time following any subsequent default. The word "default" has the same meaning as contained within the Note or any other instrument evidencing the Obligations, and the Mortgage, or any other document securing, guarantying or otherwise relating to the Obligations.

In addition, upon the occurrence of any Event of Default, Bank shall be entitled to all of the remedies provided by law, the Note and any related loan documents. Bank is entitled to all rights and remedies provided at law or equity whether or not expressly stated in this Agreement. By choosing any remedy, Bank does not waive its right to an immediate use of any other remedy if the event of default continues or occurs again.

10. **ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES.**

A. As used in this paragraph:

- (1) "Environmental Law" means, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA", 42 U.S.C. 9601 et seq.), all federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a Hazardous Substance (as defined herein).
- (2) "Hazardous Substance" means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which

has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or the environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste" or "hazardous substance" under any Environmental Law.

B. Owner represents, warrants and agrees that:

- (1) Except as previously disclosed and acknowledged in writing to Bank, no Hazardous Substance has been, is or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property except in the ordinary course of business and in strict compliance with all applicable Environmental Law.
- (2) Except as previously disclosed and acknowledged in writing to Bank, Owner has not and shall not cause, contribute to or permit the release of any Hazardous Substance on the Property.
- (3) Owner shall immediately notify Bank if: (a) a release or threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property; or (b) there is a violation of any Environmental Law concerning the Property. In such an event, Owner shall take all necessary remedial action in accordance with any Environmental Law.
- (4) Except as previously disclosed and acknowledged in writing to Bank, Owner has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (a) any Hazardous Substance located on, under or about the Property or (b) any violation by Owner or any tenant of any Environmental Law. Owner shall immediately notify Bank in writing as soon as Owner has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Bank has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.
- (5) Except as previously disclosed and acknowledged in writing to Bank, Owner and every tenant have been, are and shall remain in full compliance with any applicable Environmental Law.
- (6) Except as previously disclosed and acknowledged in writing to Bank, there are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well shall be added unless Bank first agrees in writing.
- (7) Owner will regularly inspect the Property, monitor the activities and operations on the Property, and confirm that all permits, licenses or approvals required by any applicable Environmental Law are obtained and complied with.
- (8) Owner will permit, or cause any tenant to permit, Bank or Bank's agent to enter and inspect the Property and review all records at any reasonable time to determine: (a) the existence, location and nature of any Hazardous Substance on, under or about the Property; (b) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; (c) whether or not Owner and any tenant are in compliance with any applicable Environmental Law.
- (9) Upon Bank's request, Owner agrees, at Owner's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Bank. The choice of the environmental engineer who will perform such audit is subject to the approval of Bank.
- (10) Bank has the right, but not the obligation, to perform any of Owner's obligations under this paragraph at Owner's expense.
- (11) As a consequence of any breach of any representation, warranty or promise made in this paragraph, (a) Owner will indemnify and hold Bank and Bank's successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation costs, penalties and expenses, including without limitation all costs of litigation and reasonable attorneys' fees, which Bank and Bank's successors or assigns may sustain; and (b) at Bank's discretion, Bank may release this Agreement and in return Owner will provide Bank with collateral of at least equal value to the Property secured by this Agreement without prejudice to any of Bank's rights under this Agreement.
- (12) Notwithstanding any of the language contained in this Agreement to the contrary, the terms of this paragraph shall survive any foreclosure or satisfaction of any deed of trust, mortgage or any obligation regardless of any passage of title to Bank or any disposition by Bank of any or all of the Property. Any claims and defenses to the contrary are hereby waived.

11. ADDITIONAL POWERS OF BANK. In addition to all other powers granted by this Agreement and the Mortgage, Bank also has the rights and powers, pursuant to the provisions of the Illinois Code of Civil Procedure, Section 15-1101, et seq.

12. TERM. This Agreement shall remain in effect until terminated in writing.

13. GENERAL PROVISIONS.

- A. TIME IS OF THE ESSENCE.** Time is of the essence in Owner's performance of all duties and obligations imposed by this Agreement.
- B. NO WAIVER BY BANK.** Bank's course of dealing, or Bank's forbearance from, or delay in, the exercise of any of Bank's rights, remedies, privileges or right to insist upon Owner's strict performance of any provisions contained in this Agreement, or other loan documents, shall not be construed as a waiver by Bank, unless any such waiver is in writing and is signed by Bank.
- C. AMENDMENT.** The provisions contained in this Agreement may not be amended, except through a written amendment which is signed by Owner and Bank.
- D. INTEGRATION CLAUSE.** This written Agreement and all documents executed concurrently herewith, represent the entire understanding between the parties as to the Obligations and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties.
- E. FURTHER ASSURANCES.** Owner agrees, upon request of Bank and within the time Bank specifies, to provide any information, and to execute, acknowledge, deliver and record or file such further instruments or documents as may be required by Bank to secure the Note or confirm any lien.
- F. GOVERNING LAW.** This Agreement shall be governed by the laws of the State of ILLINOIS, provided that such laws are not otherwise preempted by federal laws and regulations.
- G. FORUM AND VENUE.** In the event of litigation pertaining to this Agreement, the exclusive forum, venue and place of jurisdiction shall be in the State of ILLINOIS, unless otherwise designated in writing by Bank or otherwise required by law.

- H. SUCCESSORS. This Agreement shall inure to the benefit of and bind the heirs, personal representatives, successors and assigns of the parties; provided however, that Owner may not assign, transfer or delegate any of the rights or obligations under this Agreement.
- I. NUMBER AND GENDER. Whenever used, the singular shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.
- J. DEFINITIONS. The terms used in this Agreement, if not defined herein, shall have their meanings as defined in the other documents executed contemporaneously, or in conjunction, with this Agreement.
- K. PARAGRAPH HEADINGS. The headings at the beginning of any paragraph, or any subparagraph, in this Agreement are for convenience only and shall not be dispositive in interpreting or construing this Agreement.
- L. IF HELD UNENFORCEABLE. If any provision of this Agreement shall be held unenforceable or void, then such provision to the extent not otherwise limited by law shall be severable from the remaining provisions and shall in no way affect the enforceability of the remaining provisions nor the validity of this Agreement.
- M. NO ACTION BY BANK. Nothing contained herein shall require the Bank to take any action.

OWNER/BORROWER:

T & B VENTURES, L.L.C.
an ILLINOIS LIMITED LIABILITY COMPANY

By: [Signature]
 GARY TREINKMAN, MEMBER

[Signature]
 STANLEY BODUCH, MEMBER

STATE OF IL

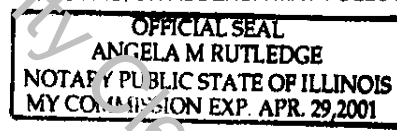
COUNTY OF Cook

On this 13 day of October 99, I, the undersigned, a notary public, certify that GARY TREINKMAN, MEMBER and STANLEY BODUCH, MEMBER all as authorized representatives in the ILLINOIS LIMITED LIABILITY COMPANY of T & B VENTURES, L.L.C., personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the instrument as their free and voluntary act, for the uses and purposes set forth.

My commission expires:

[Signature]
 NOTARY PUBLIC

THIS IS THE LAST PAGE OF A 5 PAGE DOCUMENT. EXHIBITS AND/OR ADDENDA MAY FOLLOW.



UNOFFICIAL COPY 99984205
GUARANTY AGREEMENT FOR A SPECIFIC LOAN

As Security for a Loan from
STATE BANK OF COUNTRYSIDE

1. **DATE AND PARTIES.** The date of this Guaranty Agreement (Agreement) is October 7, 1999, and the parties are the following:

GUARANTOR:

GARY TREINKMAN

744 KEYSTONE

RIVER FOREST, IL 60305

Social Security # 143-46-4857

STANLEY BODUCH

811 S. WASHINGTON

HINSDALE, IL 60521

Social Security # 338-70-4732

BANK:

STATE BANK OF COUNTRYSIDE

an ILLINOIS banking corporation

6734 Joliet Road

Countryside, Illinois 60525

Tax I.D. # 36-2914456

2. **AGREEMENT TO GUARANTY.** Guarantor requests that Bank make the Loan (as herein defined) to T & B VENTURES, L.L.C. (Borrower). In consideration of Bank making any such loan(s), Guarantor jointly and severally, absolutely and unconditionally promises to pay and guaranties prompt payment of the Obligations (as hereinafter defined) to Bank, when due, up to \$640,000.00 of the principal amount. The term "Obligations" shall mean the indebtedness of Borrower to Bank as evidenced by Borrower's promissory note, No. 38848723-, (Note) dated October 7, 1999, and executed by Borrower payable to the order of Bank, which evidences a loan (Loan) to Borrower in the sum of \$640,000.00, and all extensions, renewals, modifications, or substitutions thereof. Guarantor further absolutely and unconditionally promises to pay and guaranties prompt payment, when due, of all accrued interest and all reasonable attorneys' fees, including paralegal fees, and all other expenses incurred by Bank in collecting the Obligations and in enforcing this Agreement and all other agreements with respect to the Borrower.
3. **EXTENSIONS.** Guarantor consents to all renewals, extensions, modifications and substitutions of the Obligations which may be made by Bank upon such terms and conditions as Bank may see fit from time to time without further notice to Guarantor and without limitation as to the number of renewals, extensions, modifications or substitutions.
4. **PRIMARY LIABILITY.** Guarantor is primarily liable under this Agreement regardless of whether or not Bank pursues any of its remedies against Borrower, against any other maker, surety, guarantor or endorser of the Obligations or against any collateral securing the Obligations.
5. **NO OTHER CONDITIONS.** The liability of the Guarantor is not conditioned on the signing of this Agreement by any other person and further is not subject to any condition not expressly set forth herein.
6. **EVENTS OF DEFAULT.** Guarantor shall be in default upon the occurrence of any of the following events, circumstances or conditions (Events of Default):
- A. Failure by any party obligated on the Obligations to make payment when due; or
 - B. A default or breach by Borrower or any co-signer, endorser, surety, or guarantor under any of the terms of this Agreement, the Note, any construction loan agreement or other loan agreement, any security agreement, mortgage, deed to secure debt, deed of trust, trust deed, or any other document or instrument evidencing, guarantying, securing or otherwise relating to the Obligations; or
 - C. The making or furnishing of any verbal or written representation, statement or warranty to Bank which is or becomes false or incorrect in any material respect by or on behalf of Guarantor, Borrower, or any co-signer, endorser, surety or guarantor of the Obligations; or
 - D. Failure to obtain or maintain the insurance coverages required by Bank, or insurance as is customary and proper for the Collateral (as herein defined); or
 - E. The death, dissolution or insolvency of, the appointment of a receiver by or on behalf of, the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary termination of existence by, or the commencement of any proceeding under any present or future federal or state insolvency, bankruptcy, reorganization, composition or debtor relief law by or against Guarantor, Borrower, or any co-signer, endorser, surety or guarantor of the Obligations; or
 - F. A good faith belief by Bank at any time that Bank is insecure with respect to Borrower, Guarantor, or any co-signer, endorser, surety or guarantor, that the prospect of any payment is impaired, that the Property is impaired, or that the Collateral (as herein defined) is impaired; or
 - G. Failure to pay or provide proof of payment of any tax, assessment, rent, insurance premium, escrow or escrow deficiency on or before its due date; or
 - H. A material adverse change in Guarantor's business, including ownership, management, and financial conditions, which in Bank's opinion, impairs the Collateral or repayment of the Obligations; or
 - I. A transfer of a substantial part of Guarantor's money or property.
7. **REMEDIES ON DEFAULT.** At the option of Bank, all or any part of the Obligations under this Agreement, together with any other obligations of Guarantor relating to this Loan, shall become immediately due and payable without notice or demand, upon the occurrence of an Event of Default or at any time thereafter. In addition, upon the occurrence of any Event of Default, Bank, at its option, may immediately invoke any or all other remedies provided in this Guaranty, the Note, or any other instrument evidencing the Obligations, and any documents securing or otherwise relating to the Obligations. Bank is entitled to all rights and remedies provided at law or equity whether or not expressly stated in this Agreement. By choosing any remedy, Bank does not waive its right to an immediate use of any other remedy if the event of default continues or occurs again.
8. **CONFESSION OF JUDGMENT.** In addition to Bank's remedies as contained in the paragraph entitled REMEDIES ON DEFAULT, Guarantor authorizes any attorney to appear in a court of record and confess judgment, without process, against Guarantor, in favor of Bank, for any sum unpaid and due on this Loan, together with collection costs including reasonable attorneys' fees.

9. **WAIVER AND CONSENT BY GUARANTOR AND OTHER SIGNERS.** Regarding the Note and Obligations, to the extent not prohibited by law, Guarantor and any other signers:
- consent to the valuation of any collateral in connection with any proceedings under the U.S. Bankruptcy Code concerning Borrower or Guarantor, regardless of any such valuation or actual amounts received by Bank arising from sale of such collateral.
 - consent to any waiver granted Borrower, and agree that any delay or lack of diligence in the enforcement of the Obligations, or any failure to file a claim or otherwise protect any of the Obligations, in no way affects or impairs Guarantor's liability.
 - waive reliance on any anti-deficiency statutes, through subrogation or otherwise, and such statutes in no way affect or impair Guarantor's liability. In addition, Guarantor waives any rights of subrogation, contribution or reimbursement and any other right Guarantor may have to enforce any remedy which Bank now has or in the future may have against Borrower or another guarantor or as to any collateral or security interest Bank may now or in the future hold for the indebtedness. Any Guarantor who is an "insider", as contemplated by the U.S. Bankruptcy Code, 11 U.S.C. 101, makes these waivers permanently. (An insider includes, among others, a director, officer, partner, or other person in control of Borrower, a person or an entity that is a co-partner with Borrower, an entity in which Borrower is a general partner, director, officer or other person in control or a close relative of any of these other persons.) Any Guarantor who is not an insider makes these waivers until all of Borrower's Obligations to Bank, including Obligations that are not covered by this Guaranty, are fully repaid.
 - waive protest, presentment for payment, demand, notice of acceleration, notice of intent to accelerate and notice of dishonor.
 - consent to any renewals and extensions for payment on the Note and Obligations, regardless of the number of such renewals or extensions.
 - consent to Bank's release of any borrower, endorser, guarantor, surety, accommodation maker or any other co-signer.
 - consent to the release, substitution or impairment of any collateral.
 - consent that Borrower or Guarantor is authorized to modify the terms of the Note or any instrument securing, guarantying or relating to the Note.
 - consent to Bank's right of set-off as well as any right of set-off of any bank participating in the Loan.
 - consent to any and all sales, repurchases and participations of the Note to any person in any amounts and waive notice of such sales, repurchases or participations of the Note.
10. **RELEASE OF COLLATERAL.** Guarantor agrees that any collateral which secures all or part of the Obligations (Collateral) may be assigned, exchanged, released in whole or in part or substituted without notice to Guarantor and without defeating, discharging or diminishing the liability of the Guarantor. Guarantor's obligation is absolute and Bank's failure to perfect any security interest or any act or omission by Bank which impairs the Collateral shall not relieve Guarantor of Guarantor's liability under this Agreement.
11. **NO DUTY BY BANK.** Bank is under no duty to preserve or protect any Collateral until Bank is in actual or constructive possession of the Collateral. For purposes of this paragraph, Bank shall only be deemed to be in "actual" possession of the Collateral when Bank has physical, immediate and exclusive control over the Collateral and has accepted such control in writing. Further, Bank shall only be deemed to be in "constructive" possession of the Collateral when Bank has both the power and the intent to exercise control over the Collateral.
12. **BANKRUPTCY.** If a bankruptcy petition should at any time be filed by or against the Borrower, the maturity of the Obligations, so far as Guarantor's liability is concerned, shall be accelerated and the Obligations shall be immediately payable by Guarantor.

Guarantor acknowledges and agrees that this Agreement, and the Obligations secured hereby, shall remain in full force and effect at all times, notwithstanding any action or undertakings by, or against, Bank or against any collateral, in connection with any obligation in any proceeding in the U.S. Bankruptcy Courts, including without limitation, valuation of collateral, election of remedies or imposition of secured or unsecured claim status upon claims by Bank, pursuant to the U.S. Bankruptcy Code, as amended.

In the event that any payment of principal or interest received and paid by any other guarantor, borrower, surety, endorser or co-maker is deemed, by final order of a court of competent jurisdiction, to have been a voidable preference under the bankruptcy or insolvency laws of the United States or otherwise, then Guarantor's obligation shall remain as an obligation to Bank and shall not be considered as having been extinguished.

13. **BANK'S RIGHT OF SET-OFF.** Guarantor agrees that Bank may exercise Bank's right of set-off against any obligation Bank may have, now or hereafter, to pay money, securities or other property to Guarantor in order to pay any or all of the outstanding Obligations. This includes, without limitation:
- any deposit account balance, securities account balance or certificate of deposit balance Guarantor has with Bank whether general, special, time, savings or checking;
 - any money owing to Guarantor on an item presented to Bank or in Bank's possession for collection or exchange; and
 - any repurchase agreement or any other non-deposit obligation or credit in Guarantor's favor.

If any such money, securities or other property is also owned by some other person who has not agreed to pay the Obligations (such as another depositor on a joint account) Bank's right of set-off will extend to the amount which could be withdrawn or paid directly to Guarantor on Guarantor's request, endorsement or instruction alone. In addition, where Guarantor may obtain payment from Bank only with the endorsement or consent of someone who has not agreed to pay the Obligations, Bank's right of set-off will extend to Guarantor's interest in the obligation. Bank's right of set-off will not apply to an account or other obligation if it clearly appears that Guarantor's rights in the obligation are solely as a fiduciary for another, or to an account, which by its nature and applicable law (for example an IRA or other tax-deferred retirement account), must be exempt from the claims of creditors. Guarantor hereby appoints Bank as Guarantor's attorney-in-fact and authorizes Bank to redeem or obtain payment on any certificate of deposit in which Guarantor has an interest in order to exercise Bank's right of set-off. Such authorization applies to any certificate of deposit even if not matured. Guarantor further authorizes Bank to withhold any early withdrawal penalty without liability in the event such penalty is applicable as a result of Bank's set-off against a certificate of deposit prior to its maturity.

Bank's right of set-off may be exercised:

- without prior demand or notice;
- without regard to the existence or value of any Collateral securing the Obligations; and
- without regard to the number or creditworthiness of any other persons who have agreed to pay the Obligations.

Bank will not be liable for dishonor of a check or other request for payment where there are insufficient funds in the account (or other obligation) to pay such request because of Bank's exercise of Bank's right of set-off. Guarantor agrees to indemnify and hold Bank harmless from any person's claims and the costs and expenses, including without limitation, attorneys' fees and paralegal fees, incurred as a result of such claims or arising as the result of Bank's exercise of Bank's right of set-off.

14. **WARRANTY AND RELIANCE BY GUARANTOR.** Guarantor represents and warrants that this Agreement was entered into at the request of Borrower, and that Guarantor is satisfied regarding Borrower's financial condition and existing indebtedness, authority to borrow and the use and intended use of all loan proceeds. Guarantor further represents and warrants that Guarantor has not relied on any representations or omissions of Bank or any

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information provided by Bank respecting Borrower, Borrower's financial condition and existing indebtedness, Borrower's authority to borrow or Borrower's use and intended use of all loan proceeds.

- 15. RELIANCE BY BANK. Guarantor acknowledges that Bank is relying on this Agreement in making the Obligations to Borrower, and Guarantor has signed this Agreement to induce Bank to make the Obligations. Guarantor further acknowledges and agrees that the requirement for Guarantor's signature is necessary for the Obligations to be considered creditworthy and that the signatures of all co-signers, if any, are necessary since Bank would not have otherwise made the Loan.
- 16. FINANCIAL STATEMENTS. Until the Obligations are paid in full, Guarantor shall furnish Bank upon Bank's request and in the event of no request, at least annually a current financial statement which is certified by Guarantor and Guarantor's accountant to be true, complete and accurate.
- 17. JOINT AND SEVERAL. Guarantor and all other borrowers, endorsers, makers, co-signers, and sureties shall be jointly and severally liable under this Agreement and other related agreements.
- 18. GENERAL PROVISIONS.
 - A. TIME IS OF THE ESSENCE. Time is of the essence in Guarantor's performance of all duties and obligations imposed by this Agreement.
 - B. NO WAIVER BY BANK. Bank's course of dealing, or Bank's forbearance from, or delay in, the exercise of any of Bank's rights, remedies, privileges or right to insist upon Guarantor's strict performance of any provisions contained in this Agreement, or other loan documents, shall not be construed as a waiver by Bank, unless any such waiver is in writing and is signed by Bank.
 - C. AMENDMENT. The provisions contained in this Agreement may not be amended, except through a written amendment which is signed by Guarantor and Bank.
 - D. INTEGRATION CLAUSE. This written Agreement and all documents executed concurrently herewith, represent the entire understanding between the parties as to the Obligations and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties.
 - E. FURTHER ASSURANCES. Guarantor agrees, upon request of Bank and within the time Bank specifies, to provide any information, and to execute, acknowledge, deliver and record or file such further instruments or documents as may be required by Bank to secure the Note or confirm any lien.
 - F. GOVERNING LAW. This Agreement shall be governed by the laws of the State of ILLINOIS, provided that such laws are not otherwise preempted by federal laws and regulations.
 - G. FORUM AND VENUE. In the event of litigation pertaining to this Agreement, the exclusive forum, venue and place of jurisdiction shall be in the State of ILLINOIS, unless otherwise designated in writing by Bank or otherwise required by law.
 - H. SUCCESSORS AND LIABILITY OF GUARANTOR. This Agreement shall inure to the benefit of and bind the heirs, personal representatives, successors, assigns of the parties and subsequent holders of the Obligations; provided however, that Guarantor may not assign, transfer or delegate any of its rights or obligations under this Agreement. If any Guarantor dies, the estate of the deceased Guarantor only owes the amount of the Obligations outstanding at the death of this Guarantor. As to all Obligations after such death, this Agreement shall remain in full force and effect as a guaranty by the surviving Guarantor(s), but not as a guaranty by the deceased Guarantor's estate.
 - I. NUMBER AND GENDER. Whenever used, the singular shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.
 - J. DEFINITIONS. The terms used in this Agreement, if not defined herein, shall have their meanings as defined in the other documents executed contemporaneously, or in conjunction, with this Agreement.
 - K. PARAGRAPH HEADINGS. The headings at the beginning of any paragraph, or any subparagraph, in this Agreement are for convenience only and shall not be dispositive in interpreting or construing this Agreement.
 - L. IF HELD UNENFORCEABLE. If any provision of this Agreement shall be held unenforceable or void, then such provision to the extent not otherwise limited by law shall be severable from the remaining provisions and shall in no way affect the enforceability of the remaining provisions nor the validity of this Agreement. This Agreement is valid despite the unenforceability, validity or enforceability of any of the loan documents.

GUARANTOR:

GARY TREINKMAN
Individually

STANLEY BODUCH
Individually

STATE OF IL

COUNTY OF Cook

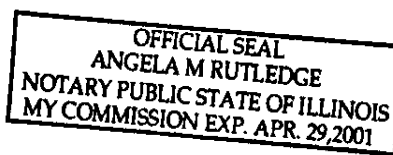
The foregoing instrument was acknowledged before me on

10-13-99

by GARY TREINKMAN.

My commission expires:

Angela M Rutledge
NOTARY PUBLIC



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STATE OF

IL

COUNTY OF

Cook

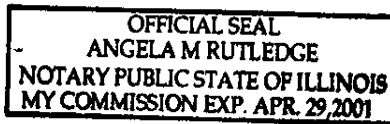
ss:

10-18-99

The foregoing instrument was acknowledged before me on
My commission expires:

by STANLEY BODUCH.

Angela M Rutledge
NOTARY PUBLIC



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