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**MORTGAGE, SECURITY AGREEMENT AND
FINANCING STATEMENT**

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Cook County Recorder 119.50

THIS INDENTURE is made as of May 24, 1995, by and between Pioneer Bank & Trust Company, not personally, but as trustee, under a written Trust Agreement dated April 27, 1995, and known as Trust #26007, having an office located at 4000 West North Avenue, Chicago, Illinois 60639, (the "Mortgagor"), and Pioneer Bank Trust Company, an Illinois Banking Corporation (the "Mortgagee").

WITNESSETH:

WHEREAS, Mortgagor is justly indebted to Mortgagee in the principal sum of Two Hundred Forty-Five Thousand and 00/100 Dollars (\$245,000.00), evidenced by that certain Note of the Mortgagor of even date herewith, made payable to the order of and delivered to Mortgagee, in and by which Note the Mortgagor promises to pay the principal sum together with interest thereon prior to maturity or the occurrence of a Default at the rate of interest set forth therein and following maturity or the occurrence of a Default at the Interest Rate plus five (5%) percent (the "Default Rate") (such note and any and all notes issued in renewal thereof or in substitution or replacement therefor are hereinafter referred to as the "Note").

Each installment shall be paid at such place as the holder of the Note 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.

NOW THEREFORE, in consideration of the debt evidenced by the Note and to secure the payment of said principal sum of money and said interest in accordance with the terms, provisions, and limitations of this Mortgage, and of the Note secured hereby (collectively, the Note, this Mortgage and all the other documents executed in connection therewith are referred to herein as the "Loan Documents"), including any and all extensions, modifications and renewals of the foregoing indebtedness, and the performance of the covenants and agreements herein contained, by Mortgagor to be performed, and any other indebtedness or liability of Mortgagor to Mortgagee, whether direct or indirect, joint or several absolute or contingent, now or hereafter existing however created or arising and however evidenced, and also in consideration of the sum of Ten Dollars (\$10.00) in hand paid, the receipt whereof is hereby acknowledged, Mortgagor does by these presents GRANT MORTGAGE and CONVEY unto the Mortgage, its successors and assigns, the following:

THIS DOCUMENT WAS PREPARED BY
AND AFTER RECORDING RETURN TO:

STOWICK & STOWICK
1614 North Pulaski Road
Chicago, Illinois 60639

PERMANENT IDENTIFICATION NO.

#13-26-220-020
#16-02-414-003/-036
#16-02-414-035

C/K/A: 3246 West George, Chicago, Illinois
3214 West Augusta, Chicago, Illinois

(a) All that certain described real estate and all of its described estate, right, title and interest therein, situate, lying and being in the City of Chicago, County of Cook, State of Illinois, which is more specifically described on Exhibit "A" attached hereto, which, with the property hereinafter described, is referred to herein as the "Premises";

(b) All improvements, tenements, easements, fixtures and appurtenances thereto belonging, and all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily);

(c) If and to the extent owned by Mortgagor, all fixtures, fittings, furnishings, appliances, apparatus, equipment and machinery including, without limitation, all gas and electric fixtures, radiators, heaters, engines and machinery, boilers, ranges, ovens, elevators and motors, bathtubs, sinks, water closets, basins, pipes, faucets and other air-conditioning, plumbing and heating fixtures, mirrors, mantles, refrigerating plants, refrigerators, iceboxes, dishwashers, carpeting, furniture, laundry equipment, cooking apparatus and appurtenances, and all building material, supplies and equipment now or hereafter delivered to the Premises and intended to be installed therein; all other fixtures and personal property of whatever kind and nature at present contained in or hereafter placed in any building standing on said Premises; such other goods, equipment, chattels and personal property as are usually furnished by landlords in letting other premises of the character of the Premises; and all renewals or replacements thereof or articles in the substitution thereof; and all proceeds and profits thereof and all of the estate, right, title and interest of the Mortgagor in and to all property of any nature whatsoever, now or hereafter situated on the Premises or intended to be used in connection with the operation thereof;

(d) All of the right, title and interest of Mortgagor in and to any fixtures or personal property subject to a lease agreement, conditional sale agreement, chattel mortgage or security agreement, and all deposits made thereon or therefor, together with the benefit of any payments now or hereafter made thereon;

(e) All leases and use agreements of machinery, equipment and other personal property of Mortgagor in the categories hereinabove set forth, under which Mortgagor is the lessee of, or entitled to use, such items;

(f) All rents, income (including income and receipts from the use and occupancy of any hotel room), profits, revenues, receipts, royalties, bonuses, rights, accounts, contract rights, general intangibles and benefits and guarantees under any and all leases, tenancies, licenses or other use agreements or arrangements now existing or hereafter created of the Premises or any part hereof (including any business conducted thereon) with the right to receive and apply the same to indebtedness due Mortgagee and Mortgagee may demand, sue for and recover such payments but shall not be required to do so;

(g) All judgments, awards of damages and settlements hereafter made as a result of or in lieu of any taking of the Premises or any part thereof or interest therein under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Premises or the improvements thereon or any part thereof or interest therein, including any award for change of grade of streets;

(h) All proceeds of the conversion, voluntary or involuntary of any of the foregoing into cash or liquidated claims;

(i) Any monies on deposit with Mortgagee for the payment of real estate taxes or special assessments against the Premises or for the payment of premiums on policies of fire and other hazard insurance covering the collateral described hereunder or the Premises, and all proceeds paid for damage done to the collateral described hereunder or the Premises;

(j) All substitutions, replacements, additions and proceeds, including insurance and condemnation award proceeds, of any of the foregoing property; it being understood that the enumeration of any specific articles of

property shall in no way exclude or be held to exclude any items of property not specifically mentioned. All of the land, estate and property hereinabove described, real personal and mixed, whether affixed or annexed or not (except where otherwise hereinabove specified) and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared to form a part and parcel of the real estate and to be appropriated to the use of the real estate, and shall be for the purposes of this Mortgage deemed to be real estate and conveyed and mortgaged hereby.

As to any of the property aforesaid which (notwithstanding the aforesaid declaration and agreement) does not so form a part and parcel of the said real estate, this Mortgage is hereby deemed to be, as well, a Security Agreement under the Uniform Commercial Code in effect in the jurisdiction in which the Premises are located (hereinafter referred to as the UCC) for the purpose of creating a security interest in such property, which Mortgagor hereby grants to Mortgagee as Secured Party (as said term is defined in the UCC), securing said indebtedness and obligations and Mortgagee shall have in addition to its rights and remedies hereunder all rights and remedies of a Secured Party under the UCC. As to above personal property which the UCC classifies as fixtures, this instrument shall constitute a fixture filing and financing statement under the UCC.

Mortgagor covenants (i) that it is lawfully seized of the Premises, (ii) that the same are subject only to liens, encumbrances, conditions, restrictions, easements, and other matters, rights or interests disclosed in Exhibit "B" attached hereto and made a part hereof, and (iii) that it has good right, full power and lawful authority to convey and mortgage the same and that it will warrant and forever defend said Premises and the quiet and peaceful possession of the same against the lawful claims of all persons whomsoever.

As used in this Mortgage, the term "indebtedness" shall mean and include all the principal sum evidenced by said Note, together with all due interest and late charges thereon, and other payments due to the Mortgagee thereunder, and all other sums at any time secured by this Mortgage. Further, as used in this Mortgage, the term "Note" shall mean and include any renewals, modifications, extensions, amendments and replacements thereof.

TO HAVE AND TO HOLD the Premises unto Mortgagee, its successors and assigns, forever for the purposes and uses herein set forth, free from all rights and benefits under the Homestead Exemption Laws of the State of Illinois, which said rights and benefits Mortgagor does hereby expressly release and waive.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

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

1. Mortgagor shall (a) promptly repair, restore or rebuild any buildings or improvements now or hereinafter on the Premises which may become damaged or be destroyed; (b) keep said Premises in good condition and repair, without waste, and free from mechanics' liens or other liens or claims for lien not expressly subordinated to the lien hereof, other than any such liens which are being contested in a diligent and good faith manner by appropriate proceedings; (c) pay when due any indebtedness which may be secured by a lien or charge on the Premises superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such prior lien to Mortgagee; (d) complete within a reasonable time any building or buildings now or at any time in process or erection upon said Premises; (e) comply with all requirements of law, municipal ordinances, or restrictions of record with respect to the Premises and the use thereof; (f) make no alterations in said Premises; (g) suffer or permit no change in the general nature of the occupancy of the Premises, without Mortgagee's prior written consent; (h) initiate or acquiesce in no zoning variation or reclassification, without Mortgagee's prior written consent; (i) pay each item of indebtedness secured by this Mortgage when due according to the terms hereof or of said Note.

Payment of Taxes

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

Tax Deposits

3. Mortgagor covenants and agrees to deposit with Mortgagee at the office of the Mortgagee set forth on the page of this Mortgage, on a monthly basis until the indebtedness secured by this Mortgage is fully paid, a sum equal to one-twelfth of the last total annual taxes and general and/or special assessments (collectively, the "Taxes") for the last ascertainable year on said Premises (unless such Taxes are based upon assessments which exclude the improvements or any part thereof now constructed or to be constructed, in which event the amount of such deposits shall be based upon the Mortgagee's reasonable estimate as to the amount of Taxes to be levied and assessed). Such deposits shall be held without allowance for interest and shall be used for the payment of Taxes on said Premises next due and payable when they become due. If the funds so deposited are insufficient to pay any of the Taxes for any year when the same shall become due and payable, Mortgagor shall, within ten days after receipt of demand therefor, deposit such additional funds as may be necessary to pay the Taxes in full. If the funds so deposited so exceed the amount required to pay the Taxes for the year, the excess shall be applied on a subsequent deposit or deposits. Said deposits need not be kept separate and apart from other funds of Mortgagee.

Anything in this paragraph 3 to the contrary notwithstanding, if the funds so deposited are insufficient to pay the Taxes or any installment thereof, Mortgagor will, not later than 30 days prior to the last day on which the same may be paid without penalty or interest, deposit with Mortgagee the full amount of any such deficiency.

If any Taxes shall be levied, charged, assessed or imposed upon or for the Premises, or any portion thereof, and if such Taxes shall also be a levy, charge, assessment or imposition upon or for any other premises not covered by the lien of this Mortgage, then the computation of any amount to be deposited under this paragraph 3 shall not have the right to apportion the amount of any such taxes or assessments for the purpose of such computation.

Mortgagee's Interest In and Use of Deposits

4. In the event of a Default, hereunder, or the Note secured hereby, Mortgagee may at its option, without being required to do so, apply any monies at the time of deposit pursuant to paragraphs 3 and 5 hereof, on any of the Mortgagor's obligations herein or in said Note contained, in such order and manner as 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 of the Premises. A security interest within the meaning of the UCC is hereby granted to Mortgagee in and to any monies on deposit pursuant to paragraphs 3 and 5 hereof, as additional security for the indebtedness hereunder and shall be applied by Mortgagee for the purposes made hereunder and shall not be subject to the direction or control of Mortgagor; provided, however, that Mortgagee shall not be liable for any failure to apply the payment of taxes, assessments and insurance premiums any amount so deposited unless Mortgagor, while not in Default hereunder, shall have requested Mortgagee in writing to make application of such funds to the payment of the particular taxes, assessments and insurance premiums for payment of which they were deposited, accompanied by the bills for such taxes, assessments and insurance premiums. Mortgagee shall not be liable for any act or omission taken in good faith or pursuant to the instruction of any party but shall be liable only for its gross negligence or willful misconduct.

Insurance

5. Mortgagor shall keep all buildings and improvements now or hereafter situated on the Premises insured against loss or damage by policies of All Risk Replacement Cost Insurance with an Agreed Amount Endorsement and such other appropriate insurance as may be required by Mortgagee, all in form and substance satisfactory to

Mortgagee, including, without limitation, rent insurance, business interruption insurance, flood insurance (if and when the Premises lie within an area designated by an agency of the federal government as a flood risk area) and war risk insurance whenever in the option of the Mortgagee such protection is necessary and such war risk insurance is obtainable from an agency of the United States Government. Mortgagor shall also provide liability insurance with such limits for personal injury and death and property damage as Mortgagee may require. All policies of insurance to be furnished hereunder shall be in forms, companies and amounts satisfactory to Mortgagee, each insurer to have a Best's rating of A+:XV, with mortgagee clauses attached to all policies in favor of and in form satisfactory to Mortgagee, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without 30 days prior written notice to Mortgagee. Mortgagor shall deliver all policies including additional and renewal policies, to Mortgagee, and, in case of insurance about to expire, shall deliver renewal policies not less than 30 days prior to their respective dates of expiration. Upon Mortgagor's failure to comply with the requirements of this paragraph, Mortgagee may, in its sole discretion but without any obligation hereunder so to do, effect any insurance required hereunder and pay the premiums due therefor, and any amounts so paid by Mortgagee shall become immediately due and payable by the Mortgagor with interest as described in paragraph 11, hereof, and shall be secured by this Mortgage.

Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that requirement to be maintained hereunder unless Mortgagee is included thereon under a standard mortgagee clause acceptable to Mortgagee. Mortgagor shall immediately notify Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to Mortgagee the policy or policies of such insurance.

Mortgagor covenants and agrees that Mortgagee may in its complete and sole discretion request that Mortgagor deposit on a monthly basis an amount equal to the premiums due on any such policies and that Mortgagee, beginning on the first day of the calendar month following such request by Mortgagee and continuing on the first day of each month thereafter shall deposit with Mortgagee, an amount equal to the premiums that will next become due and payable on such policies divided by the number of months to elapse prior to the date when such premiums become delinquent. No interest shall be payable on such deposits, and such deposits need not be kept in a separate account.

**Adjustment of Losses with Insurer and
Application of Proceeds of Insurance**

6. In case of loss or damage by fire or other casualty, Mortgagee is authorized (a) to settle and adjust any claim under insurance policies which insure against such risks, or (b) to allow Mortgagor to agree with the insurance company or companies on the amount to be paid in regard to such loss. In either case, Mortgagee is authorized, to collect and issue a receipt for any such policy money. At the option of Mortgagee, such insurance proceeds shall be applied either to reduce the indebtedness secured hereby or to reimburse Mortgagor for the cost of rebuilding and restoration. Irrespective of whether such insurance proceeds are or are not adequate for such purpose, the buildings and improvements shall be so restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction. If the cost of rebuilding, repairing or restoring the building and improvements can reasonably exceed the sum of \$25,000.00, then Mortgagee shall approve plans and specification of such work before such work shall be commenced. In any case, where the insurance proceeds are used for rebuilding and restoration, such proceeds shall be disbursed in the manner and under the conditions that the Mortgagee may require and upon Mortgagee being furnished with satisfactory evidence of the estimated cost of completion thereof and with architect's certificates, waivers of lien, contractor's and subcontractor's sworn statements and other evidence of cost and payments so that Mortgagee can verify that the amounts disbursed from time to time are represented by completed and in place work and that said work is free and clear of mechanics' lien claims. If estimated cost of completion exceeds the amount of the insurance proceeds available, Mortgagor immediately shall, on written demand of Mortgagee, deposit with Mortgagee in cash the amount of such estimated excess cost. No payment made prior to the final completion of the work shall exceed

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ninety percent (90%) of the value of the work performed from time to time, and at all times the undisbursed balance of such proceeds remaining in the hands of the disbursing party shall be at least sufficient to pay for the cost of completion of the work, free and clear of liens. Any surplus which may remain out of said insurance proceeds after payment of such cost of building or restoration shall, at the option of the Mortgagee, be applied on account of the indebtedness secured hereby or be paid to any party entitled thereto without interest.

Stamp Tax

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

Assignment of Leases and Rents

8. Mortgagor hereby assigns to Mortgagee all of Mortgagor's interest in all rents, issues and profits of the Property, as further security for the payments of the Notes and other sums secured hereby. Mortgagor grants to Mortgagee the right to enter the Premises and to let the Premises, or any part thereof, and to apply said rents, issues, profits and proceeds after payment of all charges and expenses, on account of the Notes and other sums secured hereby. This assignment and grant shall continue in effect until the Notes and other sums secured hereby are paid in full. Mortgagee hereby agrees not to exercise the right to enter the Premises for the purposes of collecting said rents, issues or profits and Mortgagor shall be entitled to collect and receive said rents, issues, profits and proceeds until the occurrence of a default by Mortgagor under the terms and provisions hereof; provided that any rents, issues and profits collected and received by Mortgagor after the occurrence of a default hereunder which is not cured within the applicable grace period hereby shall be deemed collected and received by the Mortgagee in trust for Mortgagee and Mortgagor shall account to Mortgagee for the full amount of such receipts. Mortgagor agrees to apply said rents, issues and profits, whenever received, to payment of the Notes and other sums secured hereby. The right of Mortgagor to collect and receive said rents, issues and profits in trust for Mortgagee during the continuance of any default by Mortgagor under the terms and provisions of this Mortgage may be revoked by mortgagee's giving written notice of such revocation to Mortgagor.

Mortgagor will, from time to time after notice and demand, execute and deliver to Mortgagee, in form satisfactory to Mortgagee, further agreements evidencing its willingness to comply and its compliance with the provisions of this Section. Mortgagor shall pay Mortgagee the expenses incurred by Mortgagee in connection with the recording of any such agreement.

Effect of Extensions of Time

9. If payment of said indebtedness or any part thereof is extended or varied or if any part of any security for the payment of the indebtedness is released or additional security is taken, all persons now or at any time hereafter liable therefor, or interested in said Premises, shall be held to assent to such extension, variation, or taking of additional security or release, and their liability and the lien and all provisions hereof shall continue in full force, the right to recourse against all such persons being expressly reserved by the Mortgagee, notwithstanding such extension, variation, taking of additional security or release.

Effect of Changes in Laws Regarding Taxation

10. 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 the mortgages or debts secured by mortgages or the Mortgagee's interest in the Premises, or the manner of collection of taxes, so as to affect the Mortgage or the debt secured hereby or the holders thereof, then, and in an 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 Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable sixty (60) days from the giving of such notice.

Mortgagee's Performance of Defaulted Acts

11. In the event of A Default hereunder, 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 consent to any tax assessment or cure any default of landlord in any lease of the Premises. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys fees, and other monies advanced by Mortgagee in regard to any stamp tax or any leases of the Premises or to protect the Premises and the lien hereof, shall become immediately due and payable without notice and with interest thereon at the Default Rate (as defined by the Note). Inaction of the Mortgagee shall never be considered a waiver of any right accruing to it on account of any Default hereunder.

Mortgagee's Reliance on Tax Bills, Etc.

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

Financial Covenants

13. (1) Mortgagor shall maintain the Debt Service Ratio at 1.25 or better at all times while any portion of the indebtedness evidenced by the Note is unpaid. Debt Service Ratio shall mean an amount represented by a fraction, the numerator of which shall be an amount equal to the annual rental income of the Premises less annual normal operating expenses (including, but not limited to, expenses for heat, light, real estate taxes and maintenance of the Premises) and the denominator of which shall be the amount necessary to pay principal and interest under the Note for the year in which the amount represented by the numerator is calculated. In the year in which the entire principal becomes due under the Note, the amount of the final principal payment shall be disregarded for the purposes of the calculation described in this paragraph 13(1).

(2) On each anniversary of the Note (or more frequently, if in the reasonable opinion of the Mortgagee, Mortgagee requires the financial information specified in this subparagraph) while any portion of the indebtedness evidenced by the Note is outstanding, Mortgagor shall provide Mortgagee with personal financial

statements on forms reasonably to be prescribed by Mortgagee, for each maker of the Note or each person who has guaranteed the repayment of the Note and the performance of the Mortgage covenants contained herein.

(3) On each anniversary of the Note Mortgagor shall provide Mortgagee with a certified annual operating statement (to be prepared in accordance with generally accepted accounting principals consistent with the previous years operating statements) for the Premises, which annual operating statement will indicate the total rental invoice for the Premises and the annual expenses therefor.

(4) In the event of failure or refusal of Mortgagor to deliver to Mortgagee certified annual operating statements with respect to the Premises or any other financial statements required to be delivered pursuant to the Loan Documents within ten (10) days of their due date, a penalty of five hundred and no/100 dollars (\$500.00) will be imposed by the Mortgagee and against the Mortgagor and/or the Mortgagees, beneficiary (the "Beneficiary") for said failure or refusal.

Acceleration of Indebtedness in Case of Default

14. The occurrence of any one or more of the following shall constitute a default under this Mortgage (herein, a "Default"):

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

(b) default shall be made in the due observance or performance of any of the other covenants, agreements or conditions contained in the Note or any other Loan Document; or

(c) default shall be made in the due payment observance or performance of any of the covenants and agreements or conditions contained in any other agreements or financing arrangements now existing or hereafter entered into between Mortgagor and/or the Beneficiary and Mortgagee; or

(d) Mortgagor, Beneficiary or any guarantor of the Note secured hereby (herein a "Guarantor") shall file a petition seeking relief under the Federal Bankruptcy Code (11 U.S.C. 101 et seq.) or any similar law, state or federal, whether now or hereafter existing, or any answer admitting insolvency or inability to pay its or their debts, or fail to obtain a vacation or stay of involuntary proceedings within 30 days; or

(e) an order for relief shall be entered in an involuntary case against the Mortgagor, Beneficiary or a Guarantor, or a trustee or a receiver shall be appointed for the Mortgagor Beneficiary or a Guarantor, or for all of the property of Mortgagor or a Guarantor, or a major part thereof, in any involuntary proceeding, or any court shall taken jurisdiction of the property of the Mortgagor, Beneficiary or a Guarantor, or the major part thereof, in any voluntary or involuntary proceeding for the reorganization, dissolution, liquidation or winding up of the Mortgagor, Beneficiary or a Guarantor and such trustee or receiver shall not be discharged of such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within 30 days; or

(f) Mortgagor, Beneficiary or a Guarantor shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver or trustee or liquidator of all of its property or the major part thereof; or

(g) any event occurs or condition exists which constitutes a default, following any applicable grace or cure period, under any of the Loan Documents; or

(h) an unpermitted transfer as described in section 32 of this Mortgage shall occur.

Upon the occurrence of a Default, the whole of the indebtedness hereby secured shall, at once, at the option of Mortgagee, become immediately due and payable without notice to Mortgagor. If, while any insurance proceeds or condemnation awards are being held by Mortgagee to reimburse Mortgagor for the cost of rebuilding or restoration of buildings or improvements on the Premises, as set forth in paragraph 6 or 21 hereof, Mortgagee shall be or become entitled to, and shall accelerate the indebtedness secured hereby, then and in such event, Mortgagee shall be entitled to apply all such insurance proceeds and condemnation awards then held by it in reduction of the indebtedness hereby secured (less the amount thereof, if any, which is currently payable for work completed and in place in connection with such rebuilding or restoration), and any excess held by it over the amount of indebtedness then due hereunder shall be returned to Mortgagor or any party entitled thereto without interest.

Foreclosure; Expense of Litigation

15. When the indebtedness hereby secured, or any part thereof, shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof, for such indebtedness or part thereof. In any civil action to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the order or judgment for sale all reasonable 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 be expended after entry of the order or judgment) of procuring all such abstracts of title, 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 civil actions or to evince to bidders at any sale which may be had pursuant to such order or judgment the true condition of the title or the value of the Premises. All expenditures and expenses of the nature in this paragraph mentioned, and such expenses and fees as may be incurred in the protection of said Premises and maintenance of the lien of this Mortgage including the fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, said Note or said Premises, including probate, bankruptcy and appellate proceedings, or in preparations for the commencement or defense of any proceeding or threatened civil actions or proceeding shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate (as defined in the Note), and shall be secured by this Mortgage.

Application of Proceeds of Foreclosure Sale

16. The proceeds of any foreclosure sale of the Premises shall distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding paragraph hereof; second, all other items which may under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the Note; and fourth, any overplus to Mortgagor, its successors or assigns, as their rights may appear.

Appointment of Receiver

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

and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (a) the indebtedness secured hereby, or by any judgment or order 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; (b) the deficiency in case of a sale and deficiency.

Mortgagee's Right of Possession in Case of Default

18. In the event of a Default, whether before or after the whole principal sum secured hereby is declared to be immediately due, or whether before or after the institution of legal proceeding 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 if condition broken. In such event Mortgagee in its discretion may, in accordance with 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 Mortgagor or then owner of the Premises relating thereto, and may exclude Mortgagor, its agents or servants, wholly therefrom and may as attorney in fact or agent of Mortgagor, or in its own name as Mortgagee and under the powers herein granted, hold, operate, manage and control the Premises and conduct the business, 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, and with full power: (a) to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same; (b) to elect to disaffirm and leave or sublease which is then subordinate to the lien hereof; (c) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and beyond the date of issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from a foreclosure of this Mortgage, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; (d) to make all necessary and proper repairs, decorating, renewals, replacements, alterations, additions, betterment and improvements to the Premises as to it may seem judicious; (e) to insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof; and (f) to receive all of such avails, rents, issues and profits; hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Mortgagor.

Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases. Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage which Mortgagee may or might incur under said leases or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases, excepting any of the foregoing which result from the gross negligence or willful misconduct of Mortgagee. Should Mortgagee incur any such liability, loss or damage, under said leases or under or by reason or the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby, and Mortgagor shall reimburse Mortgagee therefor immediately upon demand.

Application of Income Received by Mortgagee

19. Mortgagee, in the exercise of rights and powers conferred herein and upon the occurrence of a Default, shall have full power to use and apply the avails, rents, guest room receipts and income, issues and profits of the Premises to the payment of or on account of the following, in such order as the Mortgagee may determine:

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

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

(c) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterment and improvements of the Premises and of placing the Premise in such condition as will, in the reasonable judgment of Mortgagee, make it readily rentable and otherwise in a condition which is comparable to the condition of the Premises preceding the occurrence of the Default;

(d) to the payment of any indebtedness secured hereby or any deficiency may result from any foreclosure sale.

Rights Cumulative

20. No right, power or remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other right, power or remedy, and each right, power or remedy herein conferred upon the Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing, at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the Mortgagee, and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy, and no delay or omission of the Mortgagee in the exercise of any right, power or remedy, and no delay or omission of the Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

Mortgagee's Right of Inspection

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

Condemnation

22. Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the entire proceeds of any award or any claim for damages for any of the Premises taken or damaged under the power of eminent domain or by condemnation. At the option of Mortgagee, such condemnation proceeds shall be applied either to reduce the indebtedness secured hereby or to reimburse Mortgagor for the cost of rebuilding and restoration. Irrespective of whether such proceeds are made available for restoration or rebuilding, and irrespective of whether such proceeds are adequate for such purpose, the buildings and improvements shall be restored or rebuilt in accordance with plans and specifications to be submitted to and approved by the Mortgagee. In the event said proceeds are used for rebuilding or restoration, the proceeds of the award shall be disbursed in the manner and under the conditions that the Mortgagee may require and paid out in the same manner as provided in paragraph 6 hereof for the payment of

insurance proceeds toward the cost of rebuilding and restoration. In such event, if the estimated cost to complete rebuilding or restoration exceeds the proceeds of the condemnation awards, Mortgagor immediately shall, on written demand of the Mortgagee, deposit with the Mortgagee in cash the amount of such excess cost. Any surplus which may remain out of said award after payment of such cost of building or restoration shall, at the option of the Mortgagee, be applied on account of the indebtedness secured hereby or be paid to any party entitled thereto without interest.

**Release upon Payment and
Discharge of Mortgagor's Obligations**

23. Mortgagee shall release this Mortgage and the lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby or in the Note at the cost and expense of the Mortgagor which may include payment of a reasonable release fee to Mortgagee for the execution of release documents.

Giving of Notice

24. 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 addresses set forth below:

If to Mortgagor: Pioneer Bank & Trust Company
4000 West North Avenue
Chicago, Illinois 60639
ATTN: LAND TRUST DEPARTMENT

If to Mortgagee: Pioneer Bank & Trust Company
4000 West North Avenue
Chicago, Illinois 60639
ATTN: COMMERCIAL REAL ESTATE DEPARTMENT

or at such other place as any party hereto may by notice in writing designate as a place for service of notice, shall constitute service of notice hereunder.

Waiver of Notice

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

Waiver of statutory Rights

26. Mortgagor shall 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 Premises marshaled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety. Mortgagor does hereby expressly waive any and all rights of redemption from any sale or from any order, judgment or decree of foreclosure of this Mortgage on behalf of Mortgagor, and each and every person acquiring any interest in title or to the Premises subsequent to the date of this Mortgage. Mortgagor hereby represents and warrants to Mortgagee that it has been directed in writing by the appropriate beneficiaries and holders of the power of direction of the trust estate to expressly waive all rights of

redemption to the Premises and reinstatement of the loan secured hereby in the manner herein set forth. Mortgagor does hereby further expressly waive, to the extent now or hereafter permitted by law, all rights of reinstatement of this Mortgage pursuant to Section 15-1602 of the Illinois Mortgage Foreclosure Law.

Furnishing of Financial Statements to Mortgagee

27. Mortgagor shall keep and maintain books and records of account in which full, true and correct entries shall be made of all dealings and transactions relative to the Premises, which books and records of account shall be open to the inspection of Mortgagee and its accountants and other duly authorized representatives during business hours. Such books of record and account shall be kept and maintained in accordance with generally accepted accounting practice consistently applied.

Filing and Recording Fees

28. Mortgagor shall pay all filing, registration or recording fees, and all expenses incident to the execution and on the Premises. Mortgagor shall protect, indemnify and hold harmless Mortgagee, its directors, officers, employees, agents, successors and assigns, from and against any and all loss, damage, cost, expense or liability (including reasonable attorneys' fees and costs) directly or indirectly arising out of or attributable to the use, generation, manufacture, production, storage, release, threatened release, discharge, disposal or presence of Hazardous Materials or asbestos on under or about the Premises including without limitation (i) all foreseeable consequential damages; and (ii) the costs of any required or necessary repair, cleanup or detoxification of the Premises and the preparation and implementation of any closure, remedial or other plans as required by applicable law, regulation or ordinance or by any court or administrative order. This indemnity shall survive the reconveyance of the lien of this Mortgage, or the extinguishment of the lien by foreclosure or action in reconveyance or extinguishment or deed in lieu of foreclosure.

Security Agreement

29. In the event of Default hereunder, Mortgagee, pursuant to the appropriate provisions of the UCC, shall have the option of proceeding as to both real and personal property in accordance with its rights and remedies with respect to the real property, in which event the default provisions of the UCC shall not apply. The parties agree that, in the event the Mortgagee shall elect to proceed with respect to the personal property collateral securing the indebtedness separately from the real property, ten (10) days notice of sale of the personal property collateral shall be reasonable notice. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by the mortgagee shall include, but not be limited to, reasonable attorneys' fees and legal expenses incurred by the Mortgagee. Mortgagor agrees that, without the written consent of Mortgagee, the Mortgagor will not remove or permit to be removed from the Premises any of the personal property or fixtures securing the indebtedness except that so long as Mortgagor is not in Default hereunder, Mortgagor shall be permitted to sell or otherwise dispose of such property when obsolete, wore out, inadequate, unserviceable or unnecessary for use in the operation of the Premises, upon replacing the same or substituting for the same other property at least equal in value to the initial value to that disposed of and in such a manner so that said other property shall be subject to the security interest created hereby and so that the security interest of the Mortgagee shall always be perfected and first in priority, it being expressly understood and agreed that all replacements, substitutions and additions to the property securing the indebtedness shall be and become immediately subject to the security interest of this Mortgage and covered hereby. The Mortgagor shall, from time to time, on request of the Mortgagee, deliver to the Mortgagee in reasonable detail an inventory of the personal property securing the indebtedness. The Mortgagor covenants and represents that all personal property securing the indebtedness now is, and that all replacements thereof, substitutions therefore or additions thereto, unless the Mortgagee otherwise consents, will be free and clear of lien, encumbrances or security interest of others.

Indemnity

30. Mortgagor agrees to indemnify and hold harmless Mortgagee from and against any and all losses, liabilities, suits, obligations, fines, damages, judgments, penalties, claims, charges, costs and expenses (including reasonable attorneys' fees and disbursements) which may be imposed upon, incurred or paid by or asserted against Mortgagee by reason or on account of, or in connection with, (i) any willful misconduct of Mortgagor or any event of Default hereunder or under the other loan documents given at any time to secure the payment of the Note secured hereby, (ii) Mortgagee's good faith and commercially reasonable exercise of any of its rights and remedies, or the performance of any of its duties hereunder or under said other loan documents to which Mortgagor is a party, (iii) the construction, reconstruction or alteration of the Premises, (iv) any negligence of Mortgagor, or any negligence or willful misconduct of any leases of the Premises, or any of their respective agents, contractors, subcontractors, servants, employees, licensees or invitees or (v) any accident, injury, death or damage to a person or any property occurring in, on or about the Premises or any street, drive, sidewalk, curb or passageway adjacent thereto. Any amount payable to Mortgagee under this paragraph shall be due and payable within ten (10) days after demand therefor and receipt by Mortgagor of a statement from Mortgagee setting forth in reasonable detail the amount claimed and the basis therefor, and such amounts shall bear interest at the Default Rate (as defined in the Note) from and after the date such amounts are paid by Mortgagee until paid in full by Mortgagor.

Mortgagor's obligations under this paragraph shall not be affected by the absence or unavailability of insurance covering the same or by the failure or refusal by any insurance carrier to perform any obligation on its part under any such policy of covering insurance. If any claim, action or proceeding is made or brought against Mortgagor and/or Mortgagee which is subject to the indemnity set forth in this paragraph, Mortgagor shall resist or defend against the same, if necessary in the name of Mortgagee, by attorneys for Mortgagor's insurance carrier (if the same is covered by insurance) or otherwise by attorneys approved by Mortgagee. Notwithstanding the foregoing, Mortgagee, in its reasonable discretion, may engage its own attorneys to resist or defend, or assist therein, and Mortgagor shall pay, or, on demand, shall reimburse Mortgagee for the payment of, the reasonable fees and disbursements of said attorneys.

Prohibition on Sale or Financing

31. Any sale, conveyance, assignment, pledge, hypothecation, mortgage, encumbrance, lease (other than for actual occupancy as consented to by Mortgagee as provided herein) or other transfer of title to, or any interest, including, without limitation, the beneficial interest of Mortgagor's beneficiary in the Premises, or any portion thereof, or of any entity or any person owning, directly or indirectly, any interest therein (whether voluntary or by operation of law) without the Mortgagee's prior written consent shall be a Default hereunder.

For the purpose of, and without limiting to generality of, this paragraph, the occurrence at any time of any of the following events shall be deemed to be an unpermitted transfer of title to the Premises and therefore an event of default hereunder:

(a) any sale, conveyance, assignment or other transfer, directly or indirectly, of any ownership interest of the Beneficiary which results in any change in the identity of the individuals or entities previously in control of Beneficiary; or

(b) the grant of a security interest in any ownership interest of any individual or entity, directly or indirectly, controlling Beneficiary which could result in a change in the identity of the individuals or entities previously in control of Beneficiary. For the purpose hereof, the terms "control" or "controlling" shall mean the possession of the power to direct, or cause the direction of, the management and policies of Mortgagor by contract or voting of securities.

It is understood and agreed that the indebtedness secured hereby was created solely due to the financial sophistication of creditworthiness, background and business sophistication of Mortgagor, and Mortgagee continues to rely upon same as the means of maintaining the value of the Premises. It is further understood and agreed that any junior financing placed upon the Premises or the improvements located thereon, or upon the interests of Mortgagor may divert funds which would otherwise be used to pay the indebtedness secured hereby, and could result in acceleration and/or foreclosure by any such junior lienor. Any such action would force the Mortgagee to take measures, and incur expenses, to protect its security, and would detract from the value of the Premises mortgaged hereby, and impair the rights of the Mortgagee granted hereunder. Without limitation by the foregoing, the Mortgagor shall not incur any additional indebtedness, whether secured or unsecured, without the prior written consent of Mortgagee.

Any consent by Mortgagee to, or any waiver of any event which is prohibited under this paragraph shall not constitute a consent to, or waiver of any right, remedy or power of Mortgagee upon a subsequent event of Default.

Future Advances

32. Without limiting the generality of any other provision hereof the indebtedness of the Mortgagor hereunder shall include (a) all existing indebtedness of Mortgagor to Mortgagee evidenced by the Note and all renewals, extensions, modifications and replacements thereof, and (b) all future advances that may be subsequently made by Mortgagee and all renewals, extensions, modification and replacements thereof. Mortgagor hereby agrees to execute any and all supplemental notes, agreements or other documents as Mortgagee may reasonably request to evidence such future advances, which such supplemental notes, agreements or other documents shall be similar in substance to the existing notes, agreements and other documents from Mortgagor in favor of Mortgagee.

Enforceability

33. This Mortgage and the indebtedness arising hereunder shall be governed by, and construed in accordance with, the internal laws of the State of Illinois applicable to contracts made and performed in such State and any applicable laws of the United States of America.

Miscellaneous

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

In the event one or more of the provisions contained in this Mortgage or the Note secured hereby or in any other security documents given to secure the payment of the Note secured hereby shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Mortgagee, nor affect any other provision of this Mortgage, and this Mortgage shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein or therein.

No offset or claim that Mortgagor now has or may have in the future against Mortgagee shall relieve Mortgagor from paying any amounts due under the Note secured hereby or from performing any other obligations contained herein or secured hereby.

At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secured (in addition to any loan proceeds disbursed from time to time) the payment of any and all expenses and advances due to or incurred by Mortgagee in connection with the indebtedness secured hereby; provided, however, notwithstanding anything to the contrary herein, the total aggregate indebtedness secured by this Mortgage shall not exceed an amount equal to 500% of the face amount of the Note.

Mortgagor shall not by act or omission permit any building or other improvement on the Premises not subject to the lien of this Mortgage to rely on the Premises or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Premises or any interest therein to be used. Similarly, no building or other improvement on the Premises shall rely on any premises not subject to the lien of this Mortgage or any interest therein to fulfill and governmental or municipal requirement. Mortgagor shall not by act or omission impair the integrity of the Premises as a single zoning lot separate and apart from all other premises. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this paragraph shall be void.

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

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

At the option of the Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in condemnation) to any and all leases of all or any part of the premises upon the execution by Mortgagee and recording or registering thereof, at any time hereafter, in the office wherein this Mortgage was recorded or registered, of a unilateral declaration to that effect.

Any property management agreement for the Premises, whether now in effect or entered into hereafter by Mortgagor with a property manager, shall contain a "no lien" provisions whereby the property manager waives any releases, to the extent permitted by law, any and all mechanics' lien rights, if any, that it or any claiming through or under it may have pursuant to applicable law. Such property management agreement or a short form thereof shall, at Mortgagee's request, be recorded with the Office of the Recorder of Deeds for the county in which the Premises are located. In addition, Mortgagor shall cause the property manager to enter into a subordination agreement with the Mortgagee, in recordable form, whereby the property manager subordinates, to the extent permitted by law, its present and future lien rights and those of any party claiming by, through or under it, to the lien of this Mortgage. Mortgagor's failure to require the "no lien" provision or the subordination agreement described herein shall constitute a Default hereunder.

The proceeds of the Note secured by this Mortgage shall be used for the purposes specified in Section 6404 (1) (c) of Chapter 17 of the Illinois Revised statutes, as amended from time to time; and that the principal obligation secured hereby constitutes a business loan within the purview and operation of said section.

The Mortgagor hereby waives all right of homestead exemption in the Premises.

The terms "Mortgage," "Security Agreement" and "Mortgage and Security Agreement" wherever used herein or in the Note secured hereby or in any other instrument evidencing or securing the Note secured hereby shall

mean this Mortgage and the Security Agreement herein contained or any other security agreement securing the Note, as the context may so require.

This Mortgage is executed by the Trustee, not personally but solely as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vest in it as such Trustee (and said Trustee, 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 said Trustee personally hereunder, to perform any covenant either express or implied herein contained, all such liability, if any, being expressly waived by Mortgagee and by every person now or hereafter claiming and right or security hereunder, and that so far as Mortgagor and its successors and said Trustee personally are concerned, the legal holder or holders of said Note and the owner or owners of the indebtedness accruing hereunder shall look solely to the Premises hereby conveyed for the payment thereof, by the enforcement of the lien hereby created, in the manner herein and in said Note provided or by action to enforce the personal liability of any maker or Guarantor hereof.

Pioneer Bank & Trust Company, not personally, but as Trustee under a written Trust Agreement dated April 27, 1995 and known as Trust #26007.

By: Patricia Hrankaj
PATRICIA HRANKAJ
Its: Vice-President

Attest: Daniel N. Wlodek
DANIEL N. WLODEK
Its: Assistant Secretary

State of Illinois)
) ss
County of Cook)

I, the undersigned, a notary Public in and for said County, in the state aforesaid, DO HEREBY CERTIFY that PATRICIA HRANKAJ, Vice-President and DANIEL N. WLODEK, Assistant Secretary of Pioneer Bank and Trust Company, as Trustee under the Trust Agreement dated May 04/27, 1995, and known as Trust #26007, who are personally known to be the same persons whose names are subscribed to the foregoing instrument as such, Vice President and Assistant Secretary of the Bank, 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 bank for the uses and purposes therein set forth.

Given under my hand and notarial seal this 24th day of May, 1995

Maria del Pilar Cousino
Notary Public



This instrument prepared by:
STOWICK & STOWICK
1614 North Pulaski Rd.
Chicago, Illinois 60639

EXHIBIT "A"

PARCEL 1:

Lots 25, 26, 27, 28 in block 2 in Hulls Subdivision of Block 7 in Brands Subdivision of the Northeast 1/4 of Section 26 Township 40 North, Range 13 East of the Third Principal Meridian, In Cook County, Illinois.

P.I.N.# 13-25-220-020

C/K/A 3246 West George, Chicago, Illinois

PARCEL 2:

Lot 10 in Block 2 in Gans and Freeman's Resubdivision of Part of Blocks 2, 3, and 4 in Humboldt Park Addition to Chicago, Being a Subdivision of Lot 3 in the Superior Court Partition of the East 1/2 of Section 2, Township 39 North, Range 13 East of the Third Principal Meridian, In Cook County, Illinois.

P.I.N. # 16-02-414-~~003~~ -036

16-02-414-035

C/K/A 3214 West Augusta, Chicago, Illinois

EXHIBIT B

Permitted Exceptions for Commercial Property

1. Lien for Taxes not yet due and payable
2. Terms of Land Trust #26007
3. Easements for public utilities.

Property of Cook County Clerk's Office

EXHIBIT "C"

Description of Goods

1. All fixtures and personal property now or hereafter owned by Debtors and attached to or contained in and used or useful in connection with the Premises or any of the improvements now or hereafter located thereon, including without limitations any and all air conditioners, antennae, appliances, apparatus, awnings, basins, bathtubs, boilers, bookcases, cabinets, carpets, coolers, curtains, dehumidifiers, disposal, doors, drapes, dryers, ducts, dynamos, elevators, engines, equipment, escalators, hardware, heaters, humidifiers, incinerators, lighting, machinery, motors, ovens, pipes, plumbing, pumps, radiators, ranges, recreational facilities, refrigerators, screens, security systems, shades, shelving, sinks, sprinklers, stokers, stoves, toilets, ventilators, wall coverings, washers, windows, window coverings, wiring, all renewals or replacements thereof or articles in substitution therefor, and all property owned by Debtors and now or hereafter used for similar purposes in or on the Premises:
2. Articles or parts now or hereafter affixed to the Property described in Paragraph 1 of this Exhibit "C" or used in connection with such property, any and all replacements for such property, and all other property of a similar type or used for similar purposes now or hereafter in or on the Premises or any of the improvements now or hereafter located thereon;
3. Debtors' right, title, and interest in all personal property used or to be used in connection with the operation of the Premises or the conduct of business thereon, including without limitation business equipment and inventories located on the Premises or elsewhere, together with files, books of account, and other records, wherever located;
4. Debtors' right, title and interest in and to any and all contracts now or hereafter relating to the Premises and executed by any architects, engineers or contractors, including all amendments, supplements and revisions thereof, together with all Debtor's rights and remedies thereunder and the benefit of all covenants and warranties thereon, and also together with all drawings, plans, estimates, layouts, surveys, plats, plans and specifications prepared by any architect, engineer or contractor, including any amendments, supplements, and revisions thereof and the right to use and enjoy the same, as well as all other rights, licenses, permits, agreements and test results relating to construction on the Premises;

5. Debtors' right, title, and interest in and to any and all contracts now or hereafter relating to the operation of the Premises or the conduct of business thereon, including without limitation all management and other service contracts, and the right to appropriate and use any and all trade names used or to be used in connection with such business;
6. Debtors' right, title, and interest in the rents, issues, deposits (including security deposits and utility deposits), and profits in connection with all leases, contracts, and other agreements (as defined in any Assignment of Rents described in Exhibit "B" to the Mortgage) made or agreed to by any person or entity (including without limitation Debtors and Lender under the powers granted by this Security Agreement and all the other Loan Documents) with any person or entity pertaining to all or any part of the Premises, whether such agreements have been heretofore or are hereafter made;
7. Debtors' right, title and interest in all earnest money deposits, proceeds of contract sales, accounts receivable, and general intangibles relating to the Premises;
8. All rights in and proceeds from all fire and hazard, loss-of-income, and other non-liability insurance policies now or hereafter covering improvements now or hereafter located on the Premises or described in the Mortgage or in this Security Agreement, the use or occupancy thereof, or the business conducted thereon;
9. All awards or payments, including interest thereon, that may be made with respect to the Premises, whether from the right of the exercise of eminent domain (including any transfer made in lieu of the exercise of said right) or for any other injury to or decrease in volume of the Premises; and
10. All proceeds from the sale, transfer, or pledge of any or all of the foregoing property.