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Loan #699-000460

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**MORTGAGE AND SECURITY AGREEMENT
AND FIXTURE FINANCING STATEMENT
WITH ASSIGNMENT OF LEASES AND RENTS**

Dated as of

July 22, 2003

granted by

3703 West Lake, L.L.C.,
an Illinois limited liability company

to

American Enterprise Life Insurance Company,
an Indiana corporation

Prepared by and after
recording, return to:

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Mortgage and Security Agreement and Fixture Financing Statement With Assignment of Leases and Rents

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MORTGAGE AND SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT WITH ASSIGNMENT OF LEASES AND RENTS

THIS Indenture ("Mortgage") is made and delivered as of the 22 day of July, 2003 by 3703 West Lake, L.L.C., an Illinois limited liability company ("Mortgagor"), having a mailing address of 3703 West Lake Avenue, Suite 202, Glenview, Illinois 60025, for the benefit of American Enterprise Life Insurance Company, an Indiana corporation ("Mortgagee"), having a mailing address of 25540 AXP Financial Center, Minneapolis, Minnesota 55474.

WITNESSETH, that Mortgagor, in consideration of the "Indebtedness" (as hereinafter defined) and the sums advanced to Mortgagor in hand paid by Mortgagee, receipt whereof is hereby acknowledged, does hereby MORTGAGE, GRANT, BARGAIN, SELL AND CONVEY AND WARRANT UNTO MORTGAGEE, ITS SUCCESSORS AND ASSIGNS, FOREVER, AND GRANTS TO MORTGAGEE A SECURITY INTEREST IN the following properties to secure (a) payment of the Note (as hereinafter defined) and all amounts owing under the Note and any documents securing the Note; and (b) due, prompt and complete observance and performance of each and every obligation, covenant and agreement of Mortgagor contained in the Note, this Mortgage and any other Loan Documents (as hereinafter defined) (all of the following being hereafter collectively referred to as the "Premises"):

GRANTING CLAUSE A REAL PROPERTY

All the tracts or parcels of real property lying and being in the County of Cook, State of Illinois, all as more fully described in Exhibit "A" attached hereto and made a part hereof, together with all the estates and rights in and to the real property, water, mineral or oil rights and in and to lands lying in streets, alleys and roads or gores of land adjoining the real property and all buildings, structures, improvements, fixtures and annexations, access rights, easements, rights of way or use, servitudes, licenses, tenements, hereditaments and appurtenances now or hereafter belonging or pertaining to the real property and all proceeds and products derived therefrom whether now owned or hereafter acquired.

GRANTING CLAUSE B IMPROVEMENTS, FIXTURES, EQUIPMENT PERSONAL PROPERTY

All buildings, equipment, (including Mortgagor's interest in any lease of such equipment), fixtures, improvements, building supplies and materials and personal property now or hereafter attached to, located in, placed in or necessary to the use, operation or maintenance of the improvements on the Premises including, but without being limited to, all machinery, fittings, fixtures, apparatus, equipment or articles used to supply heating, gas, electricity, air conditioning, water, light, waste disposal, power, refrigeration, ventilation, and fire and sprinkler protection, as well as all elevators, escalators, overhead cranes, hoists and assists, and the like, and all furnishings, supplies, draperies, maintenance and repair equipment, window and

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structural cleaning rigs and equipment, floor coverings, appliances, screens, storm windows, blinds, awnings, shrubbery and plants (it being understood that the enumeration of specific articles of property shall in no way be held to exclude items of property not specifically enumerated), as well as renewals, replacements, proceeds, additions, accessories, increases, parts, fittings, insurance payments, awards and substitutes thereof, together with all interest of Mortgagor in any such items hereafter acquired, and all personal property which by the terms of any lease shall become the property of Mortgagor at the termination of such lease, all of which personal property mentioned herein shall be deemed fixtures and accessory to the freehold and a part of the realty and not severable in whole or in part without material injury to the Premises, but excluding therefrom any property owned by tenants in the Premises.

GRANTING CLAUSE C **RENTS, LEASES AND PROFITS**

All rents, issues, income, revenue, receipts, fees, and profits now due or which may hereafter become due under or by virtue of and together with all right, title and interest of Mortgagor in and to any lease, license, sublease, contract or other kind of occupancy agreement, whether written or verbal, for the use or occupancy of the Premises or any part thereof together with all security therefor and all monies payable thereunder, including, without limitation, tenant security deposits, and all books and records which contain information pertaining to payments made thereunder and security therefor, subject, however, to the conditional permission herein given to Mortgagor to collect the rents, income and other normal income benefits arising under any agreements. Mortgagee shall have the right, not as a limitation or condition hereof but as a personal covenant available only to Mortgagee, at any time and from time to time, to notify any lessee of the rights of Mortgagee hereunder.

Together with all right, title and interest of Mortgagor in and to any and all contracts for sale and purchase of all or any part of the property described in Granting Clauses A, B and C hereof, and any down payments, earnest money deposits or other sums paid or deposited in connection therewith.

GRANTING CLAUSE D **JUDGMENTS, CONDEMNATION AWARDS,** **INSURANCE PROCEEDS,** **AND OTHER RIGHTS**

All awards, compensation or settlement proceeds made by any governmental or other lawful authorities for the threatened or actual taking or damaging by eminent domain of the whole or any part of the Premises, including any awards for a temporary taking, change of grade of streets or taking of access, together with all insurance proceeds resulting from a casualty to any portion of the Premises; all rights and interests of Mortgagor against others, including adjoining property owners, arising out of damage to the property including damage due to environmental injury or release of hazardous substances.

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GRANTING CLAUSE E LICENSES, PERMITS, EQUIPMENT LEASES AND SERVICE AGREEMENTS

All right, title and interest of Mortgagor in and to any licenses, permits, regulatory approvals, government authorizations, franchise agreements and equipment or chattel leases, service contracts or agreements, tradenames, general intangibles, any and all other intangibles and all proceeds therefrom, arising from, issued in connection with or in any way related to the use, occupancy, operation, maintenance or security of the Premises, together with all replacements, additions, substitutions and renewals thereof, which may be assigned pursuant to agreement or law.

GRANTING CLAUSE F PROCEEDS

All sale proceeds, refinancing proceeds or other proceeds, including deposits and down payments derived from or relating to the property described in Granting Clauses A through E above.

AND MORTGAGOR for Mortgagor, Mortgagor's heirs, administrators, personal representatives, successors and assigns, covenants with Mortgagee, its successors and assigns, that Mortgagor is lawfully seized of the Premises and has good right to sell and convey the same; that the Premises are free from all encumbrances except as may be set forth in Exhibit "B" attached hereto and made a part hereof (hereinafter referred to as the "Permitted Encumbrances") and as set forth in the ALTA Loan Policy of Title Insurance (the "Title Policy") to be issued to Mortgagee and insuring the first lien position of this Mortgage; that Mortgagee, its successors and assigns, shall quietly enjoy and possess the Premises; and that Mortgagor, its successors and assigns, will WARRANT AND DEFEND the title to the same against all lawful claims not specifically excepted in this Mortgage.

TO HAVE AND TO HOLD THE SAME, together with the possession and right of possession of the Premises, unto Mortgagee, its successors and assigns, forever.

PROVIDED NEVERTHELESS, that if Mortgagor, Mortgagor's heirs, administrators, personal representatives, successors or assigns, shall pay to Mortgagee, its successors or assigns, the sum of Three Million One Hundred Thousand and 00/100 Dollars (\$3,100,000.00), according to the terms of that certain Promissory Note in said principal amount (hereinafter referred to as the "Note") of even date herewith executed by Mortgagor and payable to Mortgagee, the terms and conditions of which are incorporated herein by reference (including the maturity date of such Note which is August 1, 2013) and made a part hereof, together with any extensions, modifications, substitutions, replacements, consolidations or renewals thereof, due and payable with interest thereon as provided therein, the balance of said principal sum together with interest thereon being due and payable, and shall repay to Mortgagee, its successors or assigns, at the times demanded and with interest thereon at the same rate specified in the Note, all sums advanced in protecting the lien of this Mortgage, in payment of taxes on the Premises, in payment of insurance premiums covering improvements thereon, in payment of principal and

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interest on prior liens, in payment of expenses and reasonable attorneys' fees herein provided for and all sums advanced for any other purpose authorized herein (the Note and all such sums, together with interest thereon, and premium, if any, being hereinafter collectively referred to as the "Indebtedness"), and shall keep and perform all of the covenants and agreements herein contained, then this Mortgage shall become null and void, and shall be released at Mortgagor's expense.

AND IT IS FURTHER COVENANTED AND AGREED AS FOLLOWS:

ARTICLE 1

GENERAL REPRESENTATIONS AND WARRANTIES

SECTION 1.1 REPRESENTATIONS AND WARRANTIES. Mortgagor represents and warrants to Mortgagee, its successors and assigns, that, as of the date hereof:

(a) Mortgagor is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Illinois, has been duly qualified to do business in the State of Illinois and has all requisite power and authority to own and operate the Premises, to enter into the Note, this Mortgage, that certain Assignment of Leases and Rents of a contemporaneous date herewith (the "Assignment of Leases"), from Mortgagor to Mortgagee that certain Hazardous Materials or Wastes Indemnity Agreement of even date herewith (the "Indemnity Agreement"), and any other document securing the Note, to execute all other documents relating to the loan evidenced by the Note (the "Loan") and make all representations, warranties and covenants contained in such documentation. The Note, this Mortgage, the Assignment of Leases, the Indemnity Agreement, all UCC Financing Statements and all other documents, instruments and agreements relating to any of them or evidencing or securing the Loan are herein referred to as the "Loan Documents." Mortgagor has the power and authority to borrow the monies and otherwise assume and perform as contemplated hereunder and under all documents relating to or executed in connection with the Indebtedness, and is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it.

(b) Neither the borrowing of the monies nor the execution and delivery of the Loan Documents nor the performance of the provisions of the agreements therein contained on the part of Mortgagor will contravene, violate or constitute a default under the Articles of Organization or Operating Agreement of Mortgagor, or any agreement with the members of Mortgagor, or any creditors of Mortgagor, or any law, ordinance, governmental regulation, agreement or indenture to which Mortgagor is a party or by which Mortgagor or Mortgagor's properties are bound.

(c) There are no (i) bankruptcy proceedings involving Mortgagor and none is contemplated; (ii) dissolution proceedings involving Mortgagor and none is contemplated; (iii) unsatisfied judgments of record against Mortgagor; or (iv) tax liens filed against Mortgagor.

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(d) The Loan Documents have been duly executed and delivered by Mortgagor and constitute the legal, valid and binding obligations of Mortgagor, enforceable in accordance with their terms.

(e) There are no judgments, suits, actions or proceedings at law or in equity or by or before any governmental instrumentality or agency now pending against or, to the best of Mortgagor's knowledge, threatened against Mortgagor or its properties, or both, nor has any judgment, decree or order been issued against Mortgagor or its properties, or both, which would have a material adverse effect on the Premises or the financial condition of Mortgagor or Mortgagor's properties.

(f) No consent or approval of any regulatory authority having jurisdiction over Mortgagor is necessary or required by law as a prerequisite to the execution, delivery and performance of the terms of the Loan Documents.

(g) Mortgagor is not, as of the date hereof, in default in the payment or performance of any of Mortgagor's obligations in connection with borrowed money or any other major obligation.

(h) The Premises is free from any mechanics' or materialmen's liens or claims. There has been no labor or materials furnished to the Premises that has not been paid for in full.

(i) Mortgagor has no notice, information or knowledge of any change contemplated in any applicable law, ordinance, regulation, or restriction, or any judicial, administrative, governmental or quasi-governmental action, or any action by adjacent land owners, or natural or artificial condition existing upon the Premises which would limit, restrict, or prevent the contemplated or intended use and purpose of the Premises.

(j) There is no pending condemnation or similar proceeding affecting the Premises, or any portion thereof, nor to the best knowledge of Mortgagor, is any such action being presently contemplated.

(k) No part of the Premises is being used for agricultural purposes or being used for a personal residence by Mortgagor or any member of Mortgagor.

(l) The Premises is undamaged by fire, windstorm, or other casualty.

(m) To the best of Mortgagor's knowledge, the Premises complies with all zoning ordinances, energy and environmental codes, building and use restrictions and codes, and any requirements with respect to licenses, permits and agreements necessary for the lawful use and operation of the Premises.

(n) The heating, electrical, sanitary sewer plumbing, storm sewer plumbing, potable water plumbing and other building equipment, fixtures and fittings in the existing improvements on the Premises are in good condition and working order, are adequate in

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quantity and quality for normal and usual use, and are fit for the purposes intended and the use contemplated.

(o) The Premises is covered by a tax parcel(s) which pertain to the Premises only and not to any property which is not subject to this Mortgage.

(p) The Premises is improved with one (1), three (3)-story office building containing 39,787 net rentable square feet located on approximately 3.05 acres of land located at 3703 West Lake Avenue, Glenview, Illinois 60025 with on-site parking for 171 vehicles and has frontage on, and access via an easement for ingress and egress to a publicly dedicated street known as West Lake Avenue.

(q) Mortgagor has good and clear record and marketable title in fee to such of the Premises as is real property, subject to no liens, encumbrances or restrictions other than Permitted Encumbrances.

(r) The transaction contemplated by this Mortgage and the Loan Documents, including, without limitation, the granting of a mortgage encumbering the Premises, is not a transfer or a transaction that is subject to the Illinois Responsible Property Transfer Act.

SECTION 1.2 CONTINUING OBLIGATION. Mortgagor further warrants and represents that all statements made hereunder are true and correct and that all financial statements, data and other information provided to Mortgagee by Mortgagor relating to or provided in connection with this transaction has not and does not contain any statement which, at the time and in the light of the circumstances under which it was made, would be false or misleading with respect to any material fact, or would omit any material fact necessary in order to make any such statement contained therein not false or misleading in any material respect, and since such statement, data or information was provided there has been no material change thereto or to the financial condition of Mortgagor. Should Mortgagor subsequently obtain knowledge that any such representation was or is untrue, Mortgagor shall immediately notify Mortgagee as to the untrue nature of said representation and agrees, to the extent possible, to take action as may be necessary to cause such representation to become true.

ARTICLE 2 **COVENANTS AND AGREEMENTS**

Mortgagor covenants and agrees for the benefit of Mortgagee, its successors and assigns, as follows:

SECTION 2.1 PAYMENT OF INDEBTEDNESS; OBSERVANCE OF COVENANTS. Mortgagor will duly and punctually pay each and every installment of principal, premium, if any, and interest on the Note, all deposits required herein, and all other Indebtedness secured hereby, as and when the same shall become due, and shall duly and punctually perform and observe all of the covenants, agreements and provisions contained

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herein, in the Note and any other instrument given as security for the payment of the Note as such instrument may be amended, modified, restated and in effect from time to time.

SECTION 2.2 MAINTENANCE; REPAIRS. Mortgagor agrees that it will keep and maintain the Premises in good, first class condition, repair and operating condition free from any waste or misuse, normal wear and tear excepted, and will comply with all requirements of law, municipal ordinances and regulations, restrictions and covenants affecting the Premises and their use, and will promptly repair or restore any buildings, improvements or structures now or hereafter on the Premises, which may become damaged or destroyed, to their condition prior to any such damage or destruction. Mortgagor further agrees that without the prior written consent of Mortgagee, it will not remove or expand any improvements on the Premises, erect any new improvements or make any material alterations in any improvements which will alter the basic structure, adversely affect the market value or change the existing architectural character of the Premises, and agrees that any other buildings, structures and improvements now or hereafter constructed on or in the Premises or repairs made to the Premises shall be completed in a good and workmanlike manner in accordance with all applicable governmental laws, regulations, requirements and permits and in accordance with plans and specifications previously delivered to and approved in advance in writing by Mortgagee. Mortgagor agrees not to acquiesce in any rezoning classification, modification or restriction affecting the Premises without the written consent of Mortgagee. Mortgagor agrees that it will not abandon or vacate the Premises. Mortgagor agrees that it will provide, improve, grade, surface and thereafter maintain, clean, repair and adequately light all parking areas within the Premises, together with any sidewalks, aisles, streets, driveways and curb cuts and sufficient paved areas for ingress and right-of-way to and from the adjacent public thoroughfare necessary or desirable for the use thereof and maintain all landscaping thereon. Mortgagor shall obtain and at all times keep in full force and effect such governmental approvals as may be necessary to comply with all governmental requirements relating to Mortgagor and the Premises.

SECTION 2.3 PAYMENT OF OPERATING COSTS; LIENS AND OTHER INDEBTEDNESS. Mortgagor agrees that it will pay all operating costs and expenses of the Premises; subject to Section 2.5 below, keep the Premises free from mechanics' liens, materialmen's liens, judgment liens and other liens, executions, attachments or levies (hereinafter collectively referred to as "Liens"); and will pay when due all permitted indebtedness which may be secured by a mortgage, lien or charge on the Premises, whether prior to, subordinate to or of equal priority with the lien hereof, and upon request will exhibit to Mortgagee satisfactory evidence of such payment and discharge.

SECTION 2.4 PAYMENT OF IMPOSITIONS. Mortgagor will pay when due and before any penalty or interest attaches because of delinquency in payment, all taxes, installments of assessments, water charges, sewer charges, and other fees, taxes, charges and assessments of every kind and nature whatsoever assessed or charged against or constituting a lien on the Premises or any interest therein or the Indebtedness (hereinafter collectively referred to as the "Impositions"); and will upon demand furnish to Mortgagee proof of the payment of any such Impositions. In the event of a court decree or an enactment after the date hereof by any legislative authority of any law imposing upon mortgagees the payment of the whole or any part of the Impositions herein required to be paid by Mortgagor, or changing in any way the laws

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relating to the taxation of mortgages or debts secured by mortgages or a mortgagee's interest in mortgaged premises, so as to impose such Imposition on Mortgagee or on the interest of Mortgagee in the Premises, then, in any such event, Mortgagor shall bear and pay the full amount of such Imposition, provided that if for any reason payment by Mortgagor of any such Imposition would be unlawful, or if the payment thereof would constitute usury or render the Indebtedness wholly or partially usurious, Mortgagee, at its option, may declare the whole sum secured by this Mortgage with interest thereon to be immediately due and payable, without prepayment fee, or Mortgagee, at its option, may pay that amount or portion of such Imposition as renders the Indebtedness unlawful or usurious, in which event Mortgagor shall concurrently therewith pay the remaining lawful and non-usurious portion or balance of said Imposition.

SECTION 2.5 CONTEST OF LIENS AND IMPOSITIONS. Mortgagor shall not be required to pay, discharge or remove any Liens or Impositions so long as Mortgagor shall in good faith contest the same or the validity thereof, by appropriate legal proceedings which shall operate to prevent the collection of the Liens or Impositions so contested and the sale of the Premises, or any part thereof to satisfy the same, provided that Mortgagor shall, prior to any such contest, have given such security (which may be a surety bond or title indemnity) as may be demanded by Mortgagee to ensure such payments and prevent any sale or forfeiture of the Premises by reason of such nonpayment. Any such contest shall be prosecuted in accordance with the laws and rules pertaining to such contests and in all events with due diligence and Mortgagor shall promptly after final determination thereof pay the amount of any such Liens or Impositions so determined, together with all interest and penalties, which may be payable in connection therewith. Notwithstanding the provisions of this Section, Mortgagor shall (and if Mortgagor shall fail so to do, Mortgagee, may but shall not be required to) pay any such Liens or Impositions notwithstanding such contest if, in the opinion of Mortgagee, the Premises shall be in jeopardy or in danger of being forfeited or foreclosed.

SECTION 2.6 PROTECTION OF SECURITY. Mortgagor agrees to promptly notify Mortgagee of and appear in and defend any suit, action or proceeding that affects the value of the Premises, the Indebtedness or the rights or interest of Mortgagee hereunder. Mortgagee may elect to appear in or defend any such action or proceeding and Mortgagor agrees to indemnify and reimburse Mortgagee from any and all loss, damage, expense or cost arising out of or incurred in connection with any such suit, action or proceeding, including, without limitation, costs of evidence of title and reasonable attorneys' fees.

SECTION 2.7 ANNUAL STATEMENTS. Within ninety (90) days after the end of each of its fiscal years during the term of this Mortgage, Mortgagor, and any successor to the interest of Mortgagor in the Premises, will furnish to Mortgagee annual certified financial statements of Mortgagor or such successor and of any guarantor of the Loan and annual certified operating statements of the Premises, which shall include all relevant financial information showing at a minimum, but shall not be limited to, gross income (itemized as to source), operating expenses (itemized), depreciation charges, and net income before and after federal income taxes and such additional information as Mortgagee may from time to time reasonably request. The financial statements and the operating statements shall be certified by Mortgagor. Both the financial and operating statements shall be prepared at the expense of Mortgagor. All of the above required statements shall be prepared in reasonable detail, calculated in accordance

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with Mortgagor's current system of accounting in the ordinary course of business, and be satisfactory in form and content to Mortgagee. Mortgagor or any successor Mortgagor, if the Premises is conveyed pursuant to a transfer permitted by Mortgagee, shall provide (a) as to a corporate entity, such entity shall submit annual audited financial statements of the corporation and any supplemental schedules provided stockholders or officers, (b) as to an individual(s), such individual(s) shall submit annual statements certified by each individual or by an independent certified public accountant in good standing and shall include a balance sheet and a profit and loss statement, and (c) as to a partnership, trust entity or limited liability company, the partnership, trust or limited liability company shall submit annual reports certified by an authorized partner, trustee or member. Mortgagor covenants that it shall keep true and accurate records of the operation of the Premises. In the event Mortgagor fails to furnish any of the statements as required herein or upon an Event of Default, as herein defined, Mortgagee may cause an audit to be made of the respective books and records at the sole cost and expense of Mortgagor. Mortgagee also shall have the right to examine at their place of safekeeping all books, accounts and records relating to the operation of the Premises, to make copies or abstracts therefrom and to discuss the affairs, finances or accounts with the employees and members of Mortgagor and Mortgagor's accountants. Said examination shall be at Mortgagee's expense unless an Event of Default has occurred or Mortgagor's statements are found to contain significant discrepancies, in which case the examination shall be at Mortgagor's expense. Mortgagor shall also furnish a rent roll in form acceptable to Mortgagee of all tenants having leases on the Premises on an annual basis along with the operating statements provided for above or at such other times as requested by Mortgagee from time to time.

SECTION 2.8 ADDITIONAL ASSURANCES. Mortgagor agrees upon request by Mortgagee to execute and deliver further instruments, financing statements and/or continuation statements under the Uniform Commercial Code and assurances and will do such further acts as may be necessary or proper to carry out more effectively the purposes of this Mortgage and without limiting the foregoing, to make subject to the lien hereof any property agreed to be subjected hereto or covered by the granting clauses hereof, or intended so to be. Mortgagor agrees to pay any recording fees, filing fees, stamp taxes or other charges arising out of or incident to the filing, the issuance and delivery of the Note, the filing or recording of this Mortgage and the Assignment of Leases or the delivery filing and recording of such further assurances and instruments as may be required pursuant to the terms of this Section.

SECTION 2.9 DUE ON SALE OR MORTGAGING, ETC. In the event that without the written consent of Mortgagee being first obtained: (a) Mortgagor, or any successor, sells, conveys, transfers, leases (except as otherwise permitted by this Mortgage or the Loan Documents), further mortgages, changes the form of ownership, or encumbers or disposes of the Premises, or any part thereof, or any interest therein, or agrees so to do; or (b) any shares of corporate stock or ownership interest in Mortgagor, or any successor, are sold, conveyed, transferred, pledged or encumbered or there is an agreement so to do; or (c) any partnership, trust (either beneficiary or trustee interest), corporate or member ownership interest in Mortgagor is sold, transferred, conveyed, pledged or encumbered or there is an agreement to do so; or (d) any partnership, trust, corporate or member ownership interest in any general partner or member of Mortgagor is sold, conveyed, transferred, pledged or encumbered or there is an agreement so to do; whether any such event described in (a), (b), (c), or (d) above is voluntary, involuntary or by

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operation of law, then at Mortgagee's sole option, Mortgagee may declare the Indebtedness immediately due and payable in full and call for payment of the same at once, together with the prepayment fee then in effect under the terms of the Note. In the event that Mortgagor or any permitted subsequent owner of the Premises is a partnership or limited partnership or limited liability partnership, trust, a privately held corporation or limited liability company, a transfer of a general partnership, beneficial interest, stock interest or interest of a member, as applicable, shall constitute a transfer or conveyance for purposes of this Section 2.9. In the event of the death or dissolution of a general partner, beneficiary, trustee, stockholder or member of Mortgagor, such death or dissolution shall constitute a transfer of such interest. In the event of such death, Mortgagor shall deliver notice thereof to Mortgagee within thirty (30) days and Mortgagor shall within one (1) year of such death or prior to any distribution of any assets to any devisee, heir, or other beneficiary, whichever is sooner, provide a replacement general partner, beneficiary, trustee, stockholder or member for acceptance by Mortgagee. If such replacement is acceptable to Mortgagee, such transfer shall be permitted without a transfer fee or change in the Loan terms. Dissolution of a guarantor of the Loan shall accelerate the maturity of the Loan. The death of both Jack H. Berger and Robert Silverstein shall accelerate the maturity of the Loan unless within thirty (30) days of such death, notice thereof is provided to Mortgagee and a substitute guarantor, reasonably acceptable to Mortgagee in its sole discretion, is provided within one (1) year of such death or prior to any distribution of assets to any devisee, heir or other beneficiary, whichever is sooner. In the event Mortgagor shall request the consent of Mortgagee in accordance with this Section 2.9, Mortgagor shall deliver a written request to Mortgagee together with complete information regarding such conveyance or encumbrance (including complete information concerning the person or entity to acquire the interest conveyed). Mortgagee shall be allowed thirty (30) days after receipt of all requested information for evaluation of such request. In the event that such request is not approved within such thirty (30) day period, it shall be deemed not approved. If such a conveyance or encumbrance is approved, Mortgagor shall pay to Mortgagee a processing fee in the amount of One Thousand Five Hundred and 00/100 Dollars (\$1,500.00) to compensate Mortgagee for processing the request along with a good faith deposit which shall be returned to Mortgagor upon completion of the transaction. Approval may be conditioned upon payment of a one percent (1%) of the outstanding principal balance of the Loan as a transfer fee and such modification of the Loan terms, interest rate and maturity date as determined by Mortgagee in its sole discretion. Consent as to any one transaction shall not be deemed to be a waiver of the right to require consent to future or successive transactions. Notwithstanding the foregoing, a processing fee and transfer fee shall not be due for the approval by Mortgagee of a substitute guarantor or member.

Notwithstanding the above, Mortgagee shall neither withhold its consent nor require payment of any fee for transfers by the members of Mortgagor to immediate family members (i.e. spouse, children) or entities owned by such family member for estate planning purposes ("Permitted Transfers") provided that: (i) Jack H. Berger, Robert Silverstein and Iris Harris maintain a controlling interest of at least fifty-one percent (51%) of the total interest of Mortgagor; (ii) current financial information (reflecting the current assets) is provided for the present guarantors at least thirty (30) days prior to such transfer; (iii) the transfer shall not release Mortgagor under the Loan Documents and the present obligors and guarantors of the Loan shall continue to be liable as provided for under the Loan Documents; (iv) no Event of Default, as defined in the Loan Documents, nor event which with the passage of time or giving of notice or

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both would become such an Event of Default, exists under the Loan Documents; (v) prior to such transfer, copies of all transfer documents, and such other documentation or information as Mortgagee deems necessary, and satisfactory in all respects to Mortgagee, have been received; (vi) Mortgagee has been given thirty (30) days prior written notice of such transfer; and (vii) Mortgagee's out-of-pocket expenses, including reasonable attorneys' fees, are paid by Mortgagor. Notwithstanding the above, in the event the members of Mortgagor transfer such ownership interest to a trust for the benefit of said immediate family members, the Mortgagee shall require that the trust (or the trustee on behalf of the trust, if applicable under local law) join in the guaranty executed by the present guarantors of the Loan.

SECTION 2.10 TRANSFER PERMITTED. Upon written request, Mortgagee will approve one and only one transfer of the Premises without change in the interest rate or maturity date provided no Event of Default, nor event which with the passage of time or giving of notice or both would become such an Event of Default, exists under the Loan Documents (or ever been in default under any loan held by Mortgagee or an affiliate of Mortgagee), upon the following conditions:

(a) The transfer shall be to a reputable and competent transferee who Mortgagee determines, in its sole judgment and discretion,

(i) has experience in the business of owning commercial real estate of similar type, size and quality to the Premises and has a favorable reputation with respect to such business; and

(ii) has experience or has retained management with experience in the management of similar properties; and

(iii) has the necessary financial strength and will assume all of Mortgagor's obligations under the Loan Documents including, without limitation, the Indemnity Agreement; and

(b) For the twelve (12) month period immediately preceding the date of the proposed transfer, the annualized "net operating income" (as hereinafter defined) prior to the payment of debt service is at least one hundred twenty-five percent (125%) of the annual debt service on the Note and on all subordinate financing secured by the Premises, or any part thereof; and

(c) The proposed purchaser must assume and agree to perform all obligations under the Loan Documents pursuant to an assumption agreement acceptable to Mortgagee. Mortgagor and all existing guarantors shall remain liable for payment of the Note and performance of the other terms and conditions of the Loan Documents, including any separate guarantees or indemnity agreements made in favor of Mortgagee, if required by Mortgagee; provided, however, Mortgagee shall not require such continuing personal liability of Mortgagor or any guarantor of the Loan solely for matters arising after the effective date of the approval of Mortgagee of such purchase if the proposed purchaser and any substitute guarantors in Mortgagee's sole discretion are

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qualified to assume all of the guaranty and obligor provisions including without limitation the Guaranty Agreement (as defined in the Note), the terms of the Loan Documents and meets all of the conditions set forth in this Section 2.10. Any such release shall be prospective only and Mortgagor and any guarantors shall remain liable for all actions taken and all events occurring prior to the date of the transfer of the Premises; and

(d) In addition to the processing fee and/or review fee, Mortgagee shall receive a transfer fee equal to one percent (1%) of the outstanding principal balance of the Note; and

(e) The purchaser must acknowledge that future transfers and encumbrances will be subject to Mortgagee's approval, which may, at Mortgagee's sole discretion, be withheld or be conditioned upon payment of a fee and/or modification of the terms of the Note and/or other Loan Documents; and

(f) Notice of such transfer together with such documentation regarding the transfer and the assuming person or entity as Mortgagee shall request shall be given to Mortgagee at least thirty (30) days prior to such transfer; and

(g) Transfer of the Premises may only be as a whole and not in part; and

(h) Mortgagor shall pay all costs and expenses in connection with such transfer including Mortgagee's reasonable attorneys' fees, in reviewing and processing such consent to assumption and/or transfer and the fees of any broker; and

(i) Mortgagor shall execute, deliver and record (when necessary) such amendments, supplements, corrections and replacements in regard to the Loan Documents and shall deliver endorsements to the Title Policy as Mortgagee may require including an endorsement to the Title Policy insuring the first lien position of this Mortgage, such endorsement to insure that transferee is the owner of the Premises, subject to no liens or encumbrances other than those shown in the Title Policy and current taxes not yet due and payable; and

(j) Mortgagee shall receive an appraisal of the Premises (exclusive of chattels), satisfactory to it, which shows sufficient value so that the total of all loans secured by the Premises does not exceed seventy-five percent (75%) of such appraised value. If the appraisal shows that the total of all liens against the Premises exceeds seventy-five percent (75%) of the value of the Premises, Mortgagee may require, at Mortgagee's option, payment on the Note or payment of other liens on the Premises so that such total will not exceed seventy-five percent (75%) of value; and

(k) Mortgagee is in receipt of a copy of the fully-executed purchase/sale contract for the Premises which shows that the Mortgagee's Loan does not exceed seventy-five (75%) of such purchase price.

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For the purposes hereof, the term "net operating income" for any period shall mean the aggregate rent, receipts and other revenues which shall have accrued to the benefit of the owner of the Premises during such period from bona fide arms-length tenants in actual possession of space in the Premises (based upon the then current certified rent roll), less the sum of all operating expenses, maintenance costs, management fees, insurance premiums, real estate taxes and assessments, and other costs, expenses and expenditures (including required capital expenditures) attributable to ownership of the Premises which is paid or accrued during such period, calculated in accordance with Mortgagor's current system of accounting in the ordinary course of its business, but not including payments of principal or interest on the Indebtedness or on any secondary financing on the Premises, depreciation or other noncash charges and income taxes. Mortgagor shall have the right to require delivery of evidence it deems necessary to establish net operating income from the Premises.

SECTION 2.11 MAINTENANCE OF EXISTENCE. Mortgagor agrees to maintain its domestication as a limited liability company under the laws of the State of Illinois, and not to re-domesticate, dissolve, liquidate, wind-up, consolidate or merge during the term hereof, without the prior written consent of the Mortgagee.

ARTICLE 3 **INSURANCE AND ESCROWS**

SECTION 3.1 INSURANCE. During the term of this Mortgage, Mortgagor shall obtain and keep in full force and effect at its sole cost and expense the following insurance:

(a) Insurance against loss by fire, lightning and risk customarily covered by standard extended coverage endorsement, including the cost of debris removal, together with a vandalism and malicious mischief endorsement, sprinkler leakage endorsement, such perils endorsements as determined by Mortgagee, all in the amount of not less than full replacement cost without deduction for depreciation of the improvements, (as shown in the appraisal submitted to and approved by Mortgagee), and an agreed-amount endorsement, a replacement cost endorsement and a waiver of subrogation endorsement;

(b) Broad Form Boiler and Machinery Insurance on all equipment and pressure fired vehicles or apparatus located on the Premises, and providing for full repair and replacement cost coverage;

(c) Flood Insurance in the maximum amount available at any time during the term of this Mortgage that the Premises are designated as lying within a flood plain as defined by the Federal Insurance Administration;

(d) Loss of Rents and/or Business Interruption Insurance covering risk of loss due to the occurrence of hazards insured against under the policies required in Subsections (a), (b) and (c) hereof in an amount equal to: (i) rental for a twelve (12) month period, plus (ii) real estate taxes, special assessments, insurance premiums and other expenses required to be paid by the tenants under each lease of the Premises for such twelve (12) month period.

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(e) Comprehensive General Public Liability Insurance covering the legal liability of Mortgagor against claims for bodily injury, death or property damage occurring on, in or about the Premises in such minimum amounts and with such minimum limits as Mortgagee may reasonably require;

(f) Builders Risk Insurance and Worker's Compensation Insurance during the making of any alterations or improvements to the Premises; and

(g) Such other forms of insurance as Mortgagee may require or as may be required by law.

In addition, Mortgagee is to be furnished with such engineering data as it may require regarding the risk of earthquake or sinkhole damage to the Premises. If Mortgagee shall determine in its sole opinion that there is a material earthquake or sinkhole risk, or if insurance against earthquake or sinkhole is required by law, Mortgagor will provide earthquake or sinkhole insurance. Insurance policies shall be written on forms and with insurance companies which are satisfactory to Mortgagee, shall name as the insured parties Mortgagor and Mortgagee, as their interests may appear, shall be in amounts sufficient to prevent Mortgagor from becoming a co-insurer of any loss thereunder, and shall bear a satisfactory mortgagee clause in favor of Mortgagee with loss proceeds under any such policies to be made payable to Mortgagee. All required policies of insurance together with evidence of the payment of current premiums therefor shall be delivered to Mortgagee and shall provide that Mortgagee shall receive at least thirty (30) days' advance written notice prior to cancellation, amendment or termination of any such policy of insurance. Mortgagor shall, within ten (10) days prior to the expiration of any such policy, deliver evidence acceptable to Mortgagee in its sole judgment, verifying the renewal of such insurance together with evidence of the payment of current premiums therefor. Mortgagor shall at its expense furnish upon renewal of insurance policies or upon request of Mortgagee evidence of the replacement value of the improvements on the Premises in form satisfactory to Mortgagee. Insurance coverage must at all times be maintained in proper relationship to such replacement value and must always provide for agreed amount coverage. Notwithstanding anything contained herein to the contrary, if Mortgagor currently has a blanket policy of insurance that satisfies the coverages required hereunder for the Premises, Mortgagee will accept a certified or conformed copy of the blanket policy together with an original Certificate of Insurance naming Mortgagee as mortgagee of the Premises.

In the event of foreclosure of this Mortgage or acquisition of the Premises by Mortgagee, all such policies and any proceeds payable therefrom, whether payable before or after a foreclosure sale, or during the period of redemption, if any, shall become the absolute property of Mortgagee to be utilized at its discretion. In the event of foreclosure or the failure to obtain and keep any required insurance, Mortgagor empowers Mortgagee to effect insurance upon the Premises at Mortgagor's expense and for the benefit of Mortgagee in the amounts and types aforesaid for a period of time covering the time lapse of insurance including lapse during redemption from foreclosure sale, and if necessary, to cancel any or all existing insurance policies. Mortgagor agrees to furnish Mortgagee copies of all inspection reports and insurance recommendations received by Mortgagor from any insurer. Mortgagee makes no representations that the above insurance requirements are adequate protection for a prudent mortgagor.

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SECTION 3.2 ESCROWS. Mortgagor shall deposit with Mortgagee, or at Mortgagee's request, with its servicing agent, on the first day of each and every month, commencing with the date the first payment of interest and/or principal and interest shall become due on the Indebtedness, a deposit to pay the Impositions and insurance premiums (hereinafter collectively referred to as the "Charges") in an amount equal to:

(a) One-twelfth (1/12th) of the annual Impositions next to become due upon the Premises; provided that, with the first such deposit, there shall be deposited in addition an amount as estimated by Mortgagee which, when added to monthly deposits to be made thereafter as provided for herein, shall assure to Mortgagee's satisfaction that there will be sufficient funds on deposit to pay the Impositions as they come due; plus

(b) One-twelfth (1/12th) of the annual premiums on each policy of insurance required to be maintained hereunder; provided that with the first such deposit there shall be deposited, in addition, an amount equal to one-twelfth (1/12th) of such annual insurance premiums multiplied by the number of months elapsed between the date premiums on each policy were last paid to and including the date of deposit; provided that the amount of such deposits shall be based upon Mortgagee's estimate as to the amount of Impositions and insurance premiums next to be payable and may require that the full amount of such payment will be available to Mortgagee at least one month in advance of the due date. Mortgagee will, upon timely presentation to Mortgagee by Mortgagor of the bills therefor, pay the Charges from such deposits. Mortgagor agrees to cooperate and assist in obtaining of tax bills when requested by Mortgagee. In the event the deposits on hand shall not be sufficient to pay all of the estimated Charges when the same shall become due from time to time, or the prior deposits shall be less than the currently estimated monthly amounts, then Mortgagor shall immediately pay to Mortgagee on demand any amount necessary to make up the deficiency. The excess of any such deposits shall be credited towards subsequent Charges.

If an Event of Default shall occur under the terms of this Mortgage, Mortgagee may, at its option, without being required so to do, apply any deposits on hand to the payment of Charges whether then due or not or to the Indebtedness, in such order and manner as Mortgagee may elect. When the Indebtedness has been fully paid any remaining deposits shall be returned to Mortgagor as its interest may appear. All deposits are hereby pledged as additional security for the Indebtedness, shall be held for the purposes for which made as herein provided, may be held by Mortgagee or its servicing agent and may be commingled with other funds of Mortgagee, or its servicing agent, shall be held without allowance of interest thereon and without fiduciary responsibility on the part of Mortgagee or its agents and shall not be subject to the direction or control of Mortgagor. Neither Mortgagee nor its servicing agent shall be liable for any act or omission made or taken in good faith. In making any payments, Mortgagee or its servicing agent may rely on any statement, bill or estimate procured from or issued by the payee without inquiry into the validity or accuracy of the same. If the taxes shown in the tax statement shall be levied on property more extensive than the Premises, Mortgagee shall be under no duty to seek a tax division or apportionment of the tax bill, and any payment of taxes based on a larger parcel shall be paid by Mortgagor, the deposits to be made hereunder shall be based on the larger tax parcel and Mortgagor shall expeditiously cause a tax subdivision to be made.

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ARTICLE 4 UNIFORM COMMERCIAL CODE

SECTION 4.1 SECURITY AGREEMENT. This Mortgage shall constitute a security agreement as defined in the Uniform Commercial Code in effect in the State of Illinois, as amended from time to time (hereinafter referred to as the "Code"), and Mortgagor hereby grants to Mortgagee a security interest within the meaning of the Code in favor of Mortgagee on the Improvements, Fixtures, Equipment and Personal Property, the Rents, Leases and Profits, the Judgments, Condemnation Awards and Insurance Proceeds and other rights, and the Licenses, Permits, Equipment Leases and Service Agreements and the Accounts Receivable and General Intangibles described in Granting Clauses B, C, D, E and F of this Mortgage (hereinafter referred to as the "Collateral").

SECTION 4.2 FIXTURE FILING. As to those items of Collateral described in this Mortgage that are, or are to become fixtures related to the real estate mortgaged herein, and all products and proceeds thereof, it is intended as to those items that THIS MORTGAGE SHALL BE EFFECTIVE AS A FINANCING STATEMENT FILED AS A FIXTURE FILING from the date of its filing in the real estate records of the County where the Premises are situated. The name of the record owner of said real estate is Mortgagor set forth in page one to this Mortgage. Information concerning the security interest created by this instrument may be obtained from Mortgagee, as secured party, at its address as set forth in page one of this Mortgage. The address of Mortgagor, as debtor, is as set forth in page one to this Mortgage. This document covers goods which are or are to become fixtures. Mortgagor's Federal Identification Number is 36-4052629.

SECTION 4.3 REPRESENTATIONS AND AGREEMENTS. Mortgagor represents and agrees: (a) Mortgagor is and will be the true and lawful owner of the Collateral, subject to no liens, charges, security interest and encumbrances other than the lien hereof and the Permitted Encumbrances; (b) the Collateral is to be used by Mortgagor solely for business purposes being installed upon the Premises for Mortgagor's own use or as the equipment and furnishing leased or furnished by Mortgagor, as landlord, to tenants of the Premises; (c) the Collateral will not be removed from the Premises without the consent of Mortgagee except in accordance with Section 4.4 hereof; (d) unless stated otherwise in this Mortgage the only persons having any interest in the Collateral are Mortgagor and Mortgagee and no financing statement covering any such property and any proceeds thereof is on file in any public office except pursuant hereto; (e) the remedies of Mortgagee hereunder are cumulative and separate, and the exercise of any one or more of the remedies provided for herein or under the Code shall not be construed as a waiver of any of the other rights of Mortgagee including having such Collateral deemed part of the realty upon any foreclosure thereof; (f) if notice to any party of the intended disposition of the Collateral is required by law in a particular instance, such notice shall be deemed commercially reasonable if given at least ten (10) days prior to such intended disposition and may be given by advertisement in a newspaper accepted for legal publications either separately or as part of a notice given to foreclose the real property or may be given by private notice if such parties are known to Mortgagee; (g) Mortgagor will from time to time provide Mortgagee on request with itemizations of all Collateral; (h) the filing of a financing statement pursuant to the Code shall never impair the stated intention of this Mortgage that all Improvements, Fixtures, Equipment

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and Personal Property described in Granting Clause B hereof are, and at all times and for all purposes and in all proceedings both legal or equitable shall be regarded as part of the real property mortgaged hereunder irrespective of whether such item is physically attached to the real property or any such item is referred to or reflected in a financing statement; (i) Mortgagor will on demand deliver all financing statements and/or continuations that may from time to time be required by Mortgagee to establish and perfect the priority of Mortgagee's security interest in such Collateral and all costs, including recording fees, shall be paid by Mortgagor; (j) Mortgagor shall give advance written notice of any proposed change in Mortgagor's name, address, state of domestication, identity or structure and will execute and deliver to Mortgagee prior to or concurrently with such change all additional financing statements that Mortgagee may require to establish and perfect the priority of Mortgagee's security interest; (k) Mortgagor shall renew and pay all expenses of renewing the financing statement covering the Collateral in the event the security interest in such Collateral will expire by reason of statutory law prior to the end of the term of this Mortgage; and (l) Mortgagor specifically authorizes Mortgagee to file any of the financing statements contemplated by this Mortgage without Mortgagor's signature.

Mortgagor does hereby consent to and approve of the filing of Financing Statements by electronic or computer technology, and further, Mortgagor does hereby adopt as Mortgagor's signature the electronic or computer generated typewritten signature of Mortgagor as if the same were the original handwritten signature of Mortgagor.

SECTION 4.4 MAINTENANCE OF PROPERTY. Subject to the provisions of this Section, in any instance where Mortgagor in its discretion determines that any item subject to a security interest under this Mortgage has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary for the operation of the Premises, Mortgagor may, at its expense, remove and dispose of it and substitute and install other items not necessarily having the same function, provided, that such removal and substitution shall be of comparable quality and shall not impair the operating utility and unity of the Premises. All substitute items shall become a part of the Premises and subject to the lien of this Mortgage. Any amounts received or allowed Mortgagor upon the sale or other disposition of the removed items of property shall be applied only against the cost of acquisition and installation of the substitute items. Nothing herein contained shall be construed to prevent any tenant or subtenant from removing from the Premises trade fixtures, furniture and equipment installed by tenant and removable by such tenant under the terms of its lease, on the condition, however, that all damages to the Premises resulting from or caused by the removal thereof be repaired at the sole cost of Mortgagor if such tenant shall fail to so repair.

ARTICLE 5 **APPLICATION OF INSURANCE AND AWARDS**

SECTION 5.1 DAMAGE OR DESTRUCTION OF THE PREMISES. Mortgagor will give Mortgagee prompt notice of damage to or destruction of the Premises, and in case of loss covered by policies of insurance, Mortgagee (whether before or after foreclosure sale) is hereby authorized at its option to settle and adjust any claim arising out of such policies and collect and receipt for the proceeds payable therefrom, provided, if there is no Event of Default hereunder, Mortgagor may itself adjust and collect for any losses arising out of a single

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occurrence aggregating not in excess of One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00). If Mortgagee fails to assert claims against the insurance carrier, such failure shall not diminish or impair Mortgagee's rights against Mortgagor. Any expense incurred by Mortgagee in the adjustment and collection of insurance proceeds (including the cost of any independent appraisal of the loss or damage on behalf of Mortgagee) shall be reimbursed to Mortgagee first out of any such insurance proceeds. The insurance proceeds or any part thereof shall be applied to reduction of the Indebtedness or to the restoration or repair of the Premises, the choice of application to be solely at the discretion of Mortgagee. In the event Mortgagee does not make insurance proceeds available for restoration and applies the insurance proceeds to payment of the Indebtedness no prepayment fee shall be due on the insurance proceeds so applied and the monthly installment payments of principal and interest set forth in the Note shall be adjusted to an amount sufficient to reamortize the then unpaid principal balance of the Note together with interest in equal monthly installment payments over the then remaining portion of the original amortization period. In the event Mortgagee does not make insurance proceeds available for reconstruction of the Premises, Mortgagor shall have the right to prepay the Loan in full without a prepayment fee within one hundred twenty (120) days of notice from Mortgagee stating such insurance proceeds will not be made available for reconstruction.

Notwithstanding the provisions above, in the event of insured damage to the improvements on the Premises, Mortgagee agrees to make insurance proceeds available to the restoration or repair of the improvements on the Premises in accordance with the provisions of Section 5.3 hereof provided satisfactory evidence is delivered to Mortgagee that: (a) the total cost of restoration and repair does not exceed fifty percent (50%) of the then outstanding principal balance of the Note; (b) the damage or destruction does not occur in the final Loan Year; and (c) all conditions of Section 5.3 have been met.

Notwithstanding anything to the contrary in this Section 5.1, Mortgagee will not make insurance proceeds available for restoration or repair of the Premises during the final twelve (12) months of the Loan and such proceeds shall be applied to the outstanding principal balance of the Loan and any accrued interest thereon and the balance thereafter returned to Mortgagor.

SECTION 5.2 CONDEMNATION. Mortgagor will give Mortgagee prompt notice of any action, actual or threatened, in condemnation or eminent domain and hereby assigns, transfers, and sets over to Mortgagee the entire proceeds of any award or claim for damages for all or any part of the Premises taken or damaged under the power of eminent domain or condemnation (herein referred to as Condemnation), Mortgagee being hereby authorized to intervene in any such action and to collect and receive from the condemning authorities and give proper receipts and acquittances for such proceeds. Mortgagor will not enter into any agreements with the condemning authority permitting or consenting to the taking of the Premises unless prior written consent of Mortgagee is obtained. Any expenses incurred by Mortgagee in intervening in such action or collecting Condemnation proceeds (including the cost of any independent appraisal) shall be reimbursed to Mortgagee out of Condemnation proceeds prior to other payments or disbursements. Mortgagor shall direct the condemning authority to deliver the Condemnation proceeds to Mortgagee but should Mortgagor receive any Condemnation proceeds directly it shall deliver such Condemnation proceeds to Mortgagee within 5 days of receipt thereof. Condemnation proceeds or any part thereof shall be applied upon or in reduction

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of the Indebtedness or to the restoration or repair of the Premises, the choice of application to be solely at the discretion of Mortgagee. In the event Mortgagee does not make Condemnation proceeds available for restoration and applies Condemnation proceeds to payment of debt, no prepayment fee shall be due on Condemnation proceeds so applied and the monthly installment payments of principal and interest set forth in the Note shall be adjusted to an amount sufficient to reamortize the then unpaid principal balance of the Note together with interest in equal monthly installment payments over the then remaining portion of the original amortization period.

SECTION 5.3 DISBURSEMENT OF INSURANCE AND CONDEMNATION PROCEEDS Should any insurance or Condemnation proceeds be applied to the restoration or repair of the Premises in accordance with this Article 5, the restoration or repair shall be done under the supervision of an architect acceptable to Mortgagee (or, at Mortgagee's discretion, an engineer acceptable to Mortgagee) and pursuant to site and building plans and specifications approved by Mortgagee. The proceeds from insurance or Condemnation, after payment of costs and expenses of collection ("Net Proceeds"), shall be held by Mortgagee for such purposes and will from time to time be disbursed by Mortgagee to defray the costs of such restoration or repair under such safeguards and controls as Mortgagee may require and in accordance with standard construction loan procedures. Net Proceeds may at the option of Mortgagee be disbursed through a title insurance company selected by Mortgagee and at the sole cost of Mortgagor. Prior to making Net Proceeds available for the payment of costs of repair or restoration of the improvements upon the Premises, Mortgagee shall be entitled to receive the following:

- (a) Evidence that no Event of Default exists under any of the terms, covenants and conditions of this Mortgage, the Note, or other Loan Documents.
- (b) Evidence that all leasing requirements for the Premises as established by Mortgagee have been met.
- (c) Satisfactory proof that all improvements have been fully restored, or that after the expenditure of a portion of Net Proceeds the balance will be sufficient to pay the cost to repair, restore or rebuild the improvements located on the Premises free and clear of all liens, except the lien of this Mortgage and the Permitted Encumbrances. In the event Net Proceeds shall be insufficient to pay the cost to so repair, restore or rebuild the improvements, Mortgagor shall deposit with Mortgagee funds equaling such deficiency, which, together with the Net Proceeds, shall be sufficient to pay for restoration, repair and rebuilding of the Premises.
- (d) (i) A statement of Mortgagor's architect, certifying the extent of the repair and restoration completed to the date thereof, and that such repairs, restoration and rebuilding have been performed to date in conformity with the plans and specifications that have been approved by Mortgagee and (ii) evidence satisfactory to Mortgagee of payment for labor and materials furnished to the Premises with lien waivers substantiating such payments. Mortgagee will release funds upon the satisfaction of requirements set forth herein at such time as lien waivers are deposited in escrow with the title company and the title company can assure Mortgagee of a first lien position.

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(e) A waiver of subrogation from any insurer to the effect that such insurer has no liability as to Mortgagor or the then owner or other insured under the policy of insurance in question.

(f) Evidence that zoning, building and other necessary permits and approvals have been obtained.

(g) Satisfactory evidence is delivered to Mortgagee that the improvements can be rebuilt substantially to the same condition as when originally financed and can with restoration and repair continue to be operated for the purposes utilized prior to such damage.

(h) Tenants of the Premises as designated by Mortgagee shall certify to Mortgagee their intention to continue to occupy the Premises without any abatement or adjustment of rental payments (other than temporary abatements during the period of restoration and repair).

(i) Evidence that the appraised value of the Premises after such restoration or repair shall not be less than its appraised value as of the date hereof.

(j) Evidence of fulfillment of all other reasonable requirements, which Mortgagee may make in connection with repair of the improvements on the Premises.

In the event Mortgagor shall fail to restore, repair or rebuild the improvements upon the Premises within a reasonable time, then such failure shall constitute an Event of Default hereunder and Mortgagee, at its option and upon not less than thirty (30) days written notice to Mortgagor, may, in addition to its remedies contained in Article 8 hereof, (i) restore, repair or rebuild the said improvements for or on behalf of Mortgagor and for such purpose, may perform all necessary or appropriate acts to accomplish such restoration, repair or rebuilding or (ii) apply all or any part of Net Proceeds on account of the last maturing installments of the Indebtedness whether then due or not. In the event insurance proceeds or an eminent domain award shall exceed the amount necessary to complete the repair, restoration, or the rebuilding of the improvements upon the Premises, such excess shall be returned to Mortgagor. Damage to the Premises shall not excuse or defer payment on the Indebtedness as it comes due.

ARTICLE 6 LEASES AND RENTS

SECTION 6.1 MORTGAGOR TO COMPLY WITH LEASES. Mortgagor will, at its own cost and expense, perform, comply with and discharge all of the obligations of Mortgagor under any leases and use its best efforts to enforce or secure the performance of each obligation and undertaking of the respective tenants under any such leases and will appear in and defend, at its own cost and expense, any action or proceeding arising out of or in any manner connected with Mortgagor's interest in any leases of the Premises. Mortgagor will not modify, extend, renew, terminate, accept a surrender of, or in any way alter the terms of the leases, nor borrow against, pledge or assign any rentals due under the leases nor consent to a subordination

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or assignment of the interest of a tenant thereunder to any party other than Mortgagee, nor anticipate the rents thereunder for more than one (1) month in advance or reduce the amount of rents and other payments thereunder, nor waive, excuse, condone or in any manner release or discharge a tenant of or from any obligations, covenants, conditions and agreements to be performed nor incur any indebtedness to a tenant, nor agree to any "free rent" period without Mortgagee's consent, nor enter into any additional leases of all or any part of the Premises without the prior written consent of Mortgagee. Notwithstanding anything to the contrary contained herein, Mortgagee hereby consents in advance to Mortgagor modifying any lease or entering into any new leases or renewal lease with respect to space in the Premises which is subject to a lease disclosed to Mortgagee and in effect as of the date hereof, which new, modified or renewal lease: (a) affects leased property in the Premises not exceeding four thousand (4,000) rentable square feet when aggregated with other leases with such tenant at the Premises; (b) requires payment of rent at a rental rate equal to or greater than the rents payable under the lease currently in effect for such space; (c) has been prepared on the standard form lease which has been delivered to and approved by Mortgagee as the basis for all new leases or renewals of existing leases executed on the Premises; and (d) provides for a modified, new or renewal lease term (including any renewal options) not in excess of five (5) years. Mortgagor will deliver copies of all lease amendments and new leases to Mortgagee within thirty (30) days after execution whether or not the prior written consent of Mortgagee was required for such amendment or new lease. Mortgagor shall notify Mortgagee of a default which is not cured within any applicable notice and/or cure period by any tenant of the Premises who occupies more than four thousand (4,000) square feet or has a lease term (including renewal options) of more than five (5) years.

SECTION 6.2 MORTGAGEE'S RIGHT TO PERFORM UNDER LEASES.

Should Mortgagor fail to perform, comply with or discharge any obligations of Mortgagor under any lease of all or any part of the Premises or should Mortgagee become aware of or be notified by a tenant under any such lease of a failure on the part of Mortgagor to so perform, comply with or discharge its obligations under said lease, Mortgagee may, but shall not be obligated to, and without further demand upon Mortgagor, and without waiving or releasing Mortgagor from any obligation contained in this Mortgage, remedy such failure, and Mortgagor agrees to repay upon demand all sums incurred by Mortgagee in remedying any such failure including, without limitation, Mortgagee's attorneys' fees together with interest at the Default Rate as defined under the terms of the Note. All such sums, together with interest as aforesaid shall become so much additional Indebtedness, but no such advance shall be deemed to relieve Mortgagor from any default hereunder.

SECTION 6.3 ASSIGNMENT OF LEASES AND RENTS. Mortgagor does hereby unconditionally and absolutely sell, assign and transfer unto Mortgagee all of the leases, rents, issues, income and profits now due and which may hereafter become due under or by virtue of any lease, whether written or verbal, or any agreement or license for the use or occupancy of the Premises, whether now existing or entered into at any time during the term of this Mortgage, all guaranties of any lessee's obligations under any such lease and all security deposits, it being the intention of this Mortgage to establish an absolute transfer and assignment of all such leases and agreements and all of the rents, issues, income and profits from the Premises and/or Mortgagor's operation or ownership thereof unto Mortgagee and Mortgagor does hereby appoint irrevocably

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Mortgagee as Mortgagor's true and lawful attorney in Mortgagor's name and stead, which appointment is coupled with an interest, to collect all of said rents, issues, income and profits; provided, Mortgagor shall have the right to collect and retain such rents, issues, income and profits unless and until an Event of Default exists under this Mortgage. Mortgagor assigns to Mortgagee all guarantees of lessee's obligation under leases and all proceeds from settlements relating to terminations of leases and all claims for damages arising from rejection of any lease under the bankruptcy laws. Upon the occurrence of an Event of Default and whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder or during any period of redemption existing by law, forthwith, upon demand of Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee shall be entitled to enter upon and take and maintain possession of the Premises and any leases thereunder and collect and retain any rents, issues, income and profits from the Premises and hold, operate, manage and control the Premises and any such leases and to do such things in its discretion as may be deemed proper or necessary to enforce the payment or security of the rents, issues, income and profits of the Premises and the performance of the tenants' obligations under any leases of the Premises, with full power to cancel or terminate any lease for any cause or on any grounds which would entitle Mortgagor to cancel the same and to elect to disaffirm any lease made subsequent to this Mortgage or subordinated to the lien hereof. All rents, issues, income, profits and payments received by Mortgagor after Mortgagee has exercised any of its rights under this assignment or the Assignment of Lease and Rents shall be held by Mortgagor in trust for Mortgagee and shall be delivered to Mortgagee immediately without demand.

Mortgagee shall not be obligated to perform or discharge any obligation or liability of the landlord under any of said leases and Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all expenses, liability, loss or damage which it might incur under said leases or under or by reason of this Mortgage. Any amounts incurred by Mortgagee in connection with its rights hereunder, including costs, expenses and attorneys' fees, shall bear interest thereon at the Default Rate, shall be additional Indebtedness and Mortgagor shall reimburse Mortgagee therefor immediately upon demand. Mortgagee may apply any of said rents, issues, income and profits received to the costs and expenses of collection, including attorneys' fees, to the payment of taxes, assessments and insurance premiums and expenditures for the upkeep of the Premises, to the performance of the landlord's obligations under the lease, to the performance of any of Mortgagor's covenants hereunder, and to any Indebtedness in such order as Mortgagee may determine. The entering upon and taking possession of the Premises, the collection of such rents, issues, income and profits and the application thereof as aforesaid shall not cure or waive any Event of Default under this Mortgage nor in any way operate to prevent Mortgagee from pursuing any other remedy which it may now or hereafter have under the terms of this Mortgage nor shall it in any way be deemed to constitute Mortgagee a mortgagee-in-possession. The rights hereunder shall in no way be dependent upon and shall apply without regard to whether the Premises are in danger of being lost, materially injured or damaged or whether the Premises are adequate to discharge the Indebtedness. Mortgagor represents and agrees that no rent has been or will be paid by any person in possession of any portion of the Premises for more than one (1) installment in advance and that the payment of none of the rents to accrue for any portion of the Premises has been or will be waived, released, reduced, discounted, or otherwise discharged or compromised by Mortgagor. Mortgagor waives any right of set off against any person in possession of any portion of the Premises. Mortgagor

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further agrees that Mortgagor will not execute or agree to any subsequent assignment of any of the rents, issues, income or profits from the Premises without the prior written consent of Mortgagee. The rights contained herein are in addition to and shall be cumulative with the rights given in the Assignment of Leases. To the extent inconsistent with the terms of this Article 6, the terms of the Assignment of Leases shall control.

ARTICLE 7 RIGHTS OF MORTGAGEE

SECTION 7.1 RIGHT TO CURE EVENT OF DEFAULT. If Mortgagor shall fail to comply with any of the covenants or obligations of this Mortgage, Mortgagee may, but shall not be obligated to, without demand upon Mortgagor, and without waiving or releasing Mortgagor from any obligation in this Mortgage contained, remedy such failure, and Mortgagor agrees to repay upon demand all sums incurred by Mortgagee in remedying any such failure together with expenses and reasonable attorneys' fees and with interest at the Default Rate. All such sums, together with interest as aforesaid shall become Indebtedness. No such advance shall be deemed to relieve Mortgagor from any failure hereunder.

SECTION 7.2 NO CLAIM AGAINST MORTGAGEE. Nothing contained in this Mortgage shall constitute any contract or request by Mortgagee, express or implied, for the performance of any labor or services or for the furnishing of any materials or other property in respect of the Premises or any part thereof, nor as giving Mortgagor or any party in interest with Mortgagor any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would create any personal liability against Mortgagee in respect thereof or would permit the making of any claim that any lien based on the performance of such labor or services or the furnishing of any such materials or other property is prior to the lien of this Mortgage.

SECTION 7.3 INSPECTION. Mortgagor will permit Mortgagee or its authorized representatives to enter the Premises at all times during normal business hours for the purpose of inspecting the same; provided Mortgagee shall have no duty to make such inspections and shall not incur any liability or obligation for making or not making any such inspections.

SECTION 7.4 WAIVERS; RELEASES; RESORT TO OTHER SECURITY, ETC. Without affecting the liability of any party liable for payment of any Indebtedness or performance of any obligation contained herein, and without affecting the rights of Mortgagee with respect to any security not expressly released in writing, Mortgagee may, at any time, and without notice to or the consent of Mortgagor or any party in interest with respect to the Premises or the Note: (a) release any person liable for payment of all or any part of the Indebtedness or for performance of any obligation herein; (b) make any agreement extending the time or otherwise altering the terms of payment of all or any part of the Indebtedness or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof; (c) accept any additional security; (d) release or otherwise deal with any property, real or personal, including any or all of the Premises, including making partial releases of the Premises; or (e) resort to any security agreements, pledges, contracts of guarantee, assignments of rents and leases or other securities, and exhaust any one or more of said securities

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and the security hereunder, either concurrently or independently and in such order as it may determine.

SECTION 7.5 RIGHTS CUMULATIVE. Each right, power or remedy herein conferred upon Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, now or hereafter arising, available to Mortgagee, at law or in equity, or under the Code, or under any other agreement, and each and every right, power and remedy of Mortgagee herein set forth or otherwise so existing shall be cumulative to the maximum extent permitted by law and may be exercised from time to time as often and in such order as may be deemed expedient by Mortgagee and any such exercise shall not be a waiver of the right to exercise at any time thereafter any other right, power or remedy. No delay or omission by Mortgagee in the exercise of any right, power or remedy arising hereunder or arising otherwise shall impair any such right, power or remedy or the right of Mortgagee to resort thereto at a later date or be construed to be a waiver of any Event of Default under this Mortgage or the Note.

SECTION 7.6 SUBSEQUENT AGREEMENTS. Any agreement hereafter made by Mortgagor and Mortgagee pursuant to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance.

SECTION 7.7 WAIVER OF APPRAISEMENT, HOMESTEAD, MARSHALING. Mortgagor hereby waives to the full extent lawfully allowed the benefit of any homestead, appraisement, valuation, stay and extension laws now or hereinafter in force. Mortgagor hereby waives any rights available with respect to marshaling of assets so as to require the separate sales of any portion of the Premises, or as to require Mortgagee to exhaust its remedies against a specific portion of the Premises before proceeding against the other and does hereby expressly consent to and authorize the sale of the Premises or any part thereof as a single unit or parcel. Mortgagor also hereby waives any and all rights of reinstatement and redemption from sale under any order or decree of foreclosure pursuant to rights herein granted, on behalf of the Mortgagor, and each and every person acquiring any interest in, or title to the Premises described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by applicable law.

SECTION 7.8 BUSINESS LOAN REPRESENTATION. Mortgagor represents and warrants to Mortgagee that the Loan is a business loan transacted solely for the purpose of carrying on the business of Mortgagor and not a consumer transaction and that the Premises does not constitute the homestead of Mortgagor or any of its principals.

SECTION 7.9 DISHONORED CHECKS. In the event Mortgagor shall send to Mortgagee two (2) or more checks in any twelve (12) month period which are not honored by the bank, for any reason, Mortgagee shall have the right to require that all future payments be made by certified check, or other good funds, at Mortgagee's option.

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ARTICLE 8 EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1 EVENTS OF DEFAULT. In addition to the occurrence of any event designated as an Event of Default hereunder or under any other Loan Document, the occurrence of any of the following shall be deemed an event of default under this Mortgage (hereinafter referred to as an "Event of Default"):

(a) Mortgagor or any co-maker, guarantor or surety shall fail to pay any principal, premium, if any, or interest on the Note when and as the same becomes due (whether at the stated maturity or at a date fixed for any installment payment or any accelerated payment date or otherwise); or

(b) Mortgagor shall fail to deposit the Charges with Mortgagee or to pay when due any other indebtedness; or

(c) Mortgagor shall fail to comply with or perform any other term, condition or covenant of the Loan Documents, and after the expiration of thirty (30) days of the giving of notice by Mortgagee to Mortgagor of such failure to comply or perform which shall be extended by thirty (30) days provided that Mortgagor commenced and is diligently pursuing the right to cure; or

(d) Mortgagor or any maker, guarantor or surety of the Note shall make an assignment for the benefit of its creditors, or shall admit in writing its inability to pay its debts as they become due, or shall file a petition in bankruptcy, or shall be adjudicated a bankrupt or insolvent, or shall file a petition seeking any reorganization, dissolution, liquidation, arrangement, composition, readjustment or similar relief under any present or future bankruptcy or insolvency statute, law or regulation or shall file an answer admitting to or not contesting the material allegations of a petition filed against it in such proceedings, or shall not within sixty (60) days after the filing of such a petition have the same dismissed or vacated, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of a material part of its properties, or shall not within sixty (60) days after the appointment of a trustee, receiver or liquidator of any material part of its properties without Mortgagor's consent have such appointment vacated; or

(e) any material certification, representation or warranty made by Mortgagor herein, in the Note or in any other instrument or certificate now or hereafter given as security for the Note or made in connection with the application for the Loan or given as an inducement to Mortgagee to make the Loan shall be materially false, breached or dishonored; or

(f) Mortgagor shall be deceased, dissolved, liquidated or go out of existence;
or

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(g) any of the guarantors of the Indebtedness shall be deceased, dissolved, liquidated or go out of existence (unless a substitute is provided within the appropriate time frame as set forth in Section 2.9 herein); or

(h) the institution of foreclosure or other proceedings to enforce against the Premises or Mortgagor any junior mortgage or deed of trust or junior security interest or other lien or encumbrance of any kind upon the Premises or any portion thereof; or

(i) the occurrence of any event in violation of the provisions set forth in Sections 2.9, 3.1, 9.4 or 10.8 hereof.

SECTION 8.2 MORTGAGEE'S RIGHT TO ACCELERATE. If an Event of Default shall occur, Mortgagee may immediately and without notice to Mortgagor declare the entire unpaid principal balance of the Note together with all other Indebtedness to be immediately due and payable and thereupon all such unpaid principal balance of the Note together with all accrued interest thereon, any prepayment premium under the terms of the Note and all other Indebtedness shall be and become immediately due and payable.

SECTION 8.3 REMEDIES OF MORTGAGEE AND RIGHT TO FORECLOSE. Upon the occurrence of an Event of Default, Mortgagor hereby authorizes and fully empowers Mortgagee to foreclose this Mortgage by judicial proceedings, by advertisement, or by such other statutory procedures available in the state in which the Premises are located, at the option of Mortgagee, with full authority to sell the Premises at public auction or such other means permitted by law and convey the same to the purchaser in fee simple, all in accordance with and in the manner prescribed by law, and out of the proceeds arising from sale and foreclosure to retain the principal, prepayment fee, if any, and interest due on the Note and all other Indebtedness together with all sums of money as Mortgagee shall have expended or advanced pursuant to this Mortgage or pursuant to statute together with interest thereon as herein provided and all costs and expenses of such foreclosure, including lawful attorneys' fees, with the balance, if any, to be paid to the persons entitled thereto by law.

SECTION 8.4 RECEIVER. Upon the occurrence of an Event of Default, Mortgagee shall be entitled as a matter of right without notice and without regard to the solvency or insolvency of Mortgagor, or the existence of waste of the Premises or the value or adequacy of the security of the Premises, and without giving bond apply for the appointment of a receiver in accordance with the statutes and law made and provided for who shall collect the rents, and all other income of any kind; manage the Premises so to prevent waste; execute leases within or beyond the period of receivership, pay all expenses for normal maintenance of the Premises and perform the terms of this Mortgage and apply the rents, issues, income and profits to the costs and expenses of the receivership, including attorneys' fees, to the repayment of the Indebtedness and to the operation, maintenance and upkeep and repair of the Premises, including payment of taxes on the Premises and payments of premiums of insurance on the Premises and any other rights permitted by law. Mortgagor does hereby irrevocably consent to such appointment. The receiver may, to the extent permitted under applicable law, without notice, enter upon and take possession of the Premises, or any part thereof, by force, summary proceedings, ejectment or otherwise, and remove Mortgagor or any other person or entity and any personal property

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therefrom, and may hold, operate and manage the same, receive all rents, earnings, incomes, issues and proceeds and do the things the receiver finds necessary to preserve and protect the Premises, whether during pendency of foreclosure, during a redemption period, if any, or otherwise.

SECTION 8.5 RIGHTS UNDER UNIFORM COMMERCIAL CODE. In addition to the rights available to a mortgagee of real property, Mortgagee shall also have all the rights, remedies and recourse available to a secured party under the Code including the right to proceed under the provisions of the Code governing default as to any Collateral as defined in this Mortgage which may be included on the Premises or which may be deemed nonrealty in a foreclosure of this Mortgage or to proceed as to such Collateral in accordance with the procedures and remedies available pursuant to a foreclosure of real estate.

SECTION 8.6 RIGHT TO DISCONTINUE PROCEEDINGS. In the event Mortgagee shall have proceeded to invoke any right, remedy or recourse permitted under this Mortgage and shall thereafter elect to discontinue or abandon the same for any reason, Mortgagee shall have the unqualified right to do so and in such event Mortgagor and Mortgagee shall be restored to their former positions with respect to the Indebtedness in which case this Mortgage and all rights, remedies and recourse of Mortgagee shall continue as if such action or exercise of a right had not been invoked.

SECTION 8.7 WAIVERS. Mortgagor also waives the benefit of all laws now existing or that may hereinafter be enacted providing for (i) any appraisal before sale of any portion of the Premises, and (ii) in any way extending the time for the enforcement and collection of the Note or this Mortgage or creating or extending a period of redemption from any sale made in collecting said debt. To the full extent Mortgagor may do so, Mortgagor agrees that Mortgagor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter enforced providing for any appraisal, valuation, stay, extension or redemption and Mortgagor, to the extent permitted by law, waives and releases all rights of redemption, valuation, appraisal, stay of execution, notice of election to mature or declare due the whole of the Indebtedness and marshaling in the event of foreclosure of the liens hereby created.

SECTION 8.8 WAIVER OF RIGHT OF REDEMPTION AND REINSTATEMENT. The Mortgagor acknowledges that the transaction of which this Mortgage is a part of a transaction which does not include either agricultural real estate (as defined in Section 5/15-1201 Mortgage Foreclosure Law, 735 ILCS 5/15-1101 et seq.) (herein called the "Act") or residential real estate (as defined in 735 ILCS 5/1219 of the Act), and to the full extent permitted by law, hereby voluntarily and knowingly waives its rights to reinstatement and redemption as allowed under 735 ILCS 1601 of the Act.

SECTION 8.9 COMPLIANCE WITH ILLINOIS MORTGAGE FORECLOSURE LAW.

(a) In the event that any provision in this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Act (Chapter 735, Sections 5/15-1101 et seq., Illinois Compiled Statutes, as may be amended from time to time ("Act")), the

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provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act.

(b) If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon a default of the Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the Act in the absence of said provision, Mortgagee shall be vested with the rights granted in the Act to the full extent permitted by law.

(c) Without limiting the generality of the foregoing, all expenses incurred by Mortgagee to the extent reimbursable under Section 735 ILCS 5/15-1510 and 735 ILCS 5/15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, shall be added to the Indebtedness or by the Judgment of foreclosure.

ARTICLE 9 HAZARDOUS MATERIALS

SECTION 9.1 DEFINITIONS. The term "Hazardous Materials or Wastes" shall mean any hazardous or toxic materials, pollutants, chemicals, or contaminants, including without limitation asbestos, polychlorinated biphenyls (PCBs) and petroleum products as defined, determined or identified as such in any Laws, as hereinafter defined. The term "Laws" means any federal, state or local laws, rules or regulations (whether now existing or hereinafter enacted or promulgated) including, without limitation, the Clean Water Act, 33 U.S.C. §§ 1251 et seq. (1972), the Clean Air Act, 42 U.S.C. §§ 7401 et seq. (1970), the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Subsection 1802, the Resource Conservation and Recovery Act, 42 U.S.C. Subsection 6901 et seq., and the Environmental Protection Act (415 ILCS 5/1 et seq.), as amended, and any similar state laws, as well as any judicial or administrative interpretation thereof, including any judicial or administrative orders or judgments.

SECTION 9.2 REPRESENTATIONS BY MORTGAGOR. Mortgagor hereby represents to Mortgagee that: (a) to the best of Mortgagor's knowledge after due inquiry, which inquiry consists of conducting the Phase I Environmental Assessment including testing for asbestos prepared by Carlson Environmental and dated June 26, 2003 (the "Environmental Inspection"), the Premises has never been used either by previous owners or occupants or by Mortgagor or current occupants to generate, manufacture, refine, transport, treat, store, handle or dispose of asbestos or any Hazardous Materials or Wastes and no such Hazardous Materials or Wastes exist on the Premises or in its soil or groundwater; (b) to the best of Mortgagor's knowledge after due inquiry, which inquiry consists of the Environmental Inspection, no portion of the improvements on the Premises has been constructed with asbestos, asbestos-containing materials, urea formaldehyde insulation or any other chemical or substance which has been determined to be a hazard to health and/or the environment; (c) to the best of Mortgagor's knowledge after due inquiry, which inquiry consists of the Environmental Inspection, there are not now nor have there been electrical transformers or other equipment which have dielectric fluid-containing polychlorinated biphenyls (PCBs) located in, on or under the Premises; (d) to

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the best of Mortgagor's knowledge after due inquiry, which inquiry consist of the Environmental Inspection, the Premises has never contained any underground storage tanks; and (e) to the best of Mortgagor's knowledge after due inquiry, Mortgagor has not received any summons, citation, directive, letter or other communication, written or oral, from any local, state or federal governmental agency concerning (i) the existence of Hazardous Materials or Wastes on the Premises or on adjacent lands or (ii) the releasing, spilling, leaking, pumping, pouring, emitting, emptying, or dumping of Hazardous Materials or Wastes onto the Premises or into waters or adjacent lands.

SECTION 9.3 COVENANTS OF MORTGAGOR. Mortgagor hereby covenants to Mortgagee that: (a) Mortgagor shall (i) comply and shall cause all occupants of the Premises to comply with all applicable Laws with respect to the discharge, generation, removal, transportation, storage and handling of Hazardous Materials or Wastes, (ii) remove any Hazardous Materials or Wastes immediately upon discovery of same, in accordance with applicable Laws, ordinances and orders of governmental authorities having jurisdiction thereof, (iii) pay or cause to be paid all costs associated with such removal; and (iv) except as may arise solely out of Mortgagee's gross negligence or willful misconduct, indemnify Mortgagee from and against all losses, claims and costs arising out of the migration of Hazardous Materials or Wastes from or through the Premises onto or under other properties; (b) Mortgagor shall keep the Premises free of any lien imposed pursuant to any applicable Laws in connection with the existence of Hazardous Materials or Wastes on the Premises; (c) Mortgagor shall not install or permit to be installed or to exist in or on the Premises any asbestos, asbestos-containing materials, urea formaldehyde insulation or any other chemical or substance which has been determined to be a hazard to health and environment; (d) Mortgagor shall not cause or permit to exist, as a result of an intentional or unintentional act or omission on the part of Mortgagor or any occupant of the Premises, a releasing, spilling, leaking, pumping, emitting, pouring, emptying or dumping of any Hazardous Materials or Wastes onto the Premises or into waters or other lands; and (e) Mortgagor shall give all notifications and prepare all reports required by Laws or any other law with respect to Hazardous Materials or Wastes existing on, released from or emitted from the Premises.

SECTION 9.4 EVENTS OF DEFAULT AND REMEDIES. It shall constitute an Event of Default hereunder and Mortgagee shall be entitled to exercise all remedies available to it hereunder if: (a) any of Mortgagor's representations contained in Section 9.2 hereof prove to be false, inaccurate or misleading; (b) Mortgagor shall fail to comply with the covenants contained in Section 9.3 hereof; (c) any Hazardous Materials or Wastes are hereafter found to exist on the Premises or in its soil or groundwater; or (d) any summons, citation, directive, letter or other communication, written or oral, shall be issued by any local, state or federal governmental agency concerning the matters described in Section 9.2(e)(i) and (ii) above. Mortgagor hereby grants Mortgagee and its employees and agents an irrevocable and non-exclusive license to enter the Premises, subject to rights of tenants, in order to inspect, conduct testing and remove Hazardous Materials or Wastes. All costs of such inspection, testing and removal shall immediately become due and payable to Mortgagee, shall bear interest at the Default Rate, shall be secured by this Mortgage and shall constitute additional Indebtedness, provided, however, unless there exists an Event of Default or Mortgagee shall, in good faith, have reasonable grounds to suspect an Event of Default or violation under this Article 9 has

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occurred, then such costs shall be borne by Mortgagee for inspections or tests that occur more than once each year.

SECTION 9.5 INDEMNIFICATION. Except as may arise solely out of Mortgagee's gross negligence or willful misconduct, Mortgagor hereby agrees to defend, indemnify and hold harmless Mortgagee, its directors, officers, employees, agents, contractors, subcontractors, licensees, invitees, successors and assigns ("Indemnified Parties") from and against any and all claims, losses, damages, liabilities, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees, and costs incurred in the investigation, defense and settlement of claims or remediation of contamination) incurred by the Indemnified Parties as a result of or in connection with the presence or removal of Hazardous Materials or Wastes or as a result of or in connection with activities prohibited under this Article. Mortgagor shall bear, pay and discharge, as and when the same become due and payable, any and all such judgments or claims for damages, penalties or otherwise, against the Indemnified Parties, shall hold the Indemnified Parties harmless against all claims, losses, damages, liabilities, costs and expenses, and shall assume the burden and expense of defending all suits, administrative proceedings, and negotiations of any description with any and all persons, political subdivisions or government agencies arising out of any of the occurrences set forth in this Article. This indemnification shall remain in full force and effect and shall survive the repayment of the Indebtedness and the satisfaction of the documents securing the same, as well as the exercise of any remedy by Mortgagee hereunder or under the other documents securing this Mortgage, including a foreclosure of this Mortgage or the acceptance of a deed in lieu of foreclosure, but shall terminate upon the expiration of all applicable statute of limitations periods.

SECTION 9.6 LOSS OF VALUE. Mortgagor hereby assures Mortgagee that Mortgagee will not suffer loss due to diminution of value of the Premises, whether during the term hereof or thereafter, due to Hazardous Materials or Wastes upon the Premises, except for those Mortgagor proves were first introduced onto the Premises after title has passed to Mortgagee by foreclosure or otherwise and will, upon demand, reimburse Mortgagee for any such loss of value.

ARTICLE 10 **MISCELLANEOUS**

SECTION 10.1 RELEASE OF MORTGAGE. When all Indebtedness has been paid, this Mortgage and all assignments herein contained shall, except as otherwise provided herein, terminate and shall be released by Mortgagee at Mortgagor's expense.

SECTION 10.2 CHOICE OF LAW. This Mortgage is made and executed under the laws of the State of Illinois and is intended to be governed by and construed and interpreted in accordance with the laws of said State.

SECTION 10.3 SUCCESSORS AND ASSIGNS. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon Mortgagor and its successors and assigns, including, without limitation each and every person or entity that may, from time to time, be record owner of the Premises and any person, or entity, other than

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Mortgagee, having an interest therein, shall run with the land and shall inure to the benefit of Mortgagee and its successors and assigns. As used herein the words "successors and assigns" shall also be deemed to include the heirs, representatives, administrators and executors of any natural person who is a party to this Mortgage. Nothing in this Section shall be construed to constitute consent by Mortgagee to assignment by Mortgagor.

SECTION 10.4 PARTIAL INVALIDITY. All rights, powers and remedies provided herein are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under any applicable law. If any term of this Mortgage shall be held to be invalid, illegal or unenforceable, the validity and enforceability of the other terms of this Mortgage shall in no way be affected thereby.

SECTION 10.5 CAPTIONS AND HEADINGS. The captions and headings of the various sections of this Mortgage are for convenience only and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

SECTION 10.6 NOTICES. Any notice which any party hereto may desire or may be required to give to any other party shall be in writing and either (a) mailed by certified mail, return receipt requested, or (b) sent by an overnight carrier which provides for a return receipt, or (c) sent by facsimile followed up by mailing of such notice by either of the methods set forth in 10.6(a) or (b) above on the day of sending such facsimile or the next succeeding business day. Any such notice shall be sent to the respective party's address as set forth on Page 1 of this Mortgage or to such other address as such party may, by notice in writing given in compliance with this Section 10.6, designate as its address. Any such notice shall constitute service of notice hereunder three (3) days after the mailing thereof by certified mail, one (1) day after the sending thereof by overnight carrier, and on the same day as the sending of a facsimile pursuant to the terms hereof.

SECTION 10.7 BUILDING USE. During the entire term of the Note and this Mortgage, Mortgagor agrees not to convert the Premises to a condominium or cooperative of any kind or to any use other than as an office building. In that connection, Mortgagor covenants that the sale of units and/or recording of condominium or cooperative documents on the Premises or any part thereof shall constitute an Event of Default hereunder.

SECTION 10.8 MANAGEMENT OF THE PREMISES. Mortgagor acknowledges that the successful management of the Premises is of critical importance to Mortgagee and a primary inducement in the making of the Loan. In the event management becomes unsatisfactory, Mortgagee shall notify Mortgagor of the same and Mortgagor shall, within thirty (30) days of such notice, correct any management deficiencies. Failure to so correct shall constitute an Event of Default hereunder.

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SECTION 10.9 AMENDMENT/MODIFICATION. Amendment to, waiver of or modification of any provision of this Mortgage must be made in writing. No oral waiver, amendment, or modification may be implied.

SECTION 10.10 REPRESENTATIONS OF MORTGAGOR. Mortgagor affirmatively represents and warrants that the written terms of the Note, this Mortgage, the Assignment of Leases, the financing statements, and other documents executed in connection with the Loan, and each of them, accurately reflect the understanding of Mortgagor, as to all matters addressed therein, and Mortgagor further represents and warrants that there are no other agreements or understandings, written or oral, which exist between Mortgagor and Mortgagee relating to the matters addressed in said documents.

SECTION 10.11 MORTGAGEE'S EXPENSE. Should Mortgagee make any payments hereunder or under the Note or under any of the other Loan Documents or incur any liability, loss or damage under or by reason of this Mortgage, the Note or any of the other Loan Documents, or in the defense of any claims or demands, the amount thereof, and all costs and expenses, including all filing, recording, and title fees and any other expenses relating to the Loan, including without limitation filing fees for UCC continuation statements and any expense involving modification thereto, reasonable attorneys' fees, and any and all costs and expenses incurred in connection with making, performing, or collecting the Indebtedness or exercising any of Mortgagee's rights under the Note, this Mortgage or any other Loan Documents, including reasonable attorneys' fees, the cost of appraisals and the cost of any environmental inspections in connection therewith, and all claims for brokerage and finder's fees which may be made in connection with the making of the Loan, together with interest thereon, at the Default Rate, shall become part of the Indebtedness and shall be secured by this Mortgage and the other Loan Documents and Mortgagor hereby agrees to reimburse Mortgagee therefor immediately upon demand. Such sums, costs and expenses shall be, until so paid, part of the Indebtedness and Mortgagee shall be entitled, to the extent permitted by law, to receive and retain the full amount of the Indebtedness in any action for redemption by Mortgagor, for an accounting for the proceeds of a foreclosure sale or of insurance proceeds or for apportionment of an eminent domain damage award.

SECTION 10.12 MORTGAGEE'S RIGHT TO COUNSEL. If Mortgagee retains attorneys to enforce any of the terms hereof or the Note or of any of the other Loan Documents or because of the breach by Mortgagor of any of the terms hereof or of any of the Loan Documents, or for the recovery of any Indebtedness secured hereby or by any of the other Loan Documents, Mortgagor shall pay to Mortgagee reasonable attorneys' fees, and all costs and expenses, whether or not an action is actually commenced and the right to such reasonable attorneys' fees, and all costs and expenses shall be deemed to have accrued on the date such attorneys are retained, shall include fees and costs in connection with litigation, arbitration, mediation and/or administrative proceedings, and shall be enforceable whether or not such action is prosecuted to judgment and shall include all appeals. Reasonable attorneys' fees, and expenses shall for purposes of this Mortgage include all paralegal, electronic research, legal specialists and all other costs in connection with that performance of Mortgagee's attorneys.

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If Mortgagee is, by reason of being the holder of this Mortgage, made a party defendant in any litigation or other proceedings concerning this Mortgage or the Premises or any part thereof or therein, or the construction, maintenance, operation or the occupancy or use thereof by Mortgagor, then Mortgagor shall, except for matters arising solely out of the gross negligence or willful misconduct of Mortgagee indemnify, defend and hold Mortgagee harmless from and against all liability by reason of said litigation or other proceedings, including reasonable attorneys' fees, and all costs and expenses incurred by Mortgagee in any such litigation or other proceedings, whether or not any such litigation or other proceedings is prosecuted to judgment or other determination.

SECTION 10.13 OTHER REPRESENTATIONS AND WARRANTIES. All statements contained in any loan application, certificate or other instrument delivered by or on behalf of Mortgagor to Mortgagee or Mortgagee's representatives in connection with the Loan shall constitute representations and warranties made by Mortgagor hereunder. Such representations and warranties made hereunder and thereunder shall survive the delivery of this Mortgage but shall terminate upon the expiration of all applicable statute of limitations periods, and any misrepresentations thereunder shall be deemed as misrepresentations hereunder.

SECTION 10.14 LIMITATION OF INTEREST. It is the intent of Mortgagor and Mortgagee in the execution of this Mortgage and the Note and all other Loan Documents securing the Note to contract in strict compliance with the usury laws of the State of Illinois governing the Note. In furtherance thereof, Mortgagee and Mortgagor stipulate and agree that none of the terms and provisions contained herein or in the Note or in any Loan Document shall ever be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted to be charged by the laws of the State of Illinois. Mortgagor, or any guarantors, endorser or other party now or hereafter becoming liable for the payment of the Note shall never be required to pay interest on the Note at a rate in excess of the maximum interest that may be lawfully charged under the laws of the State of Illinois and the provisions of this Section shall control over all other provisions of the Note and any other instrument executed in connection herewith which may be in apparent conflict herewith. If, from any circumstances whatsoever fulfillment of any provision of the Note, this Mortgage or any Loan Document, at the time performance of such provision shall be due, shall involve transcending the limit on interest presently prescribed by any applicable usury statute or any other applicable law, with regard to obligations of like character and amount, then Mortgagee may, at its option (i) reduce the obligations to be fulfilled to such limit on interest, or (ii) apply the amount that would exceed such limit on interest to the reduction of the outstanding principal balance of the Note, and not to the payment of interest, with the same force and effect as though Mortgagor had specifically designated such sums to be so applied to principal and Mortgagee had agreed to accept such extra payment(s) as a prepayment without a fee, so that in no event shall any exaction be possible under the Note that is in excess of the applicable limit on interest.

SECTION 10.15 TIME OF THE ESSENCE. Mortgagor and Mortgagee agree that time is of the essence with respect to all of the covenants, agreements and representations under this Mortgage.

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SECTION 10.16 SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS. All representations, warranties and covenants contained herein or in any other Loan Document, executed by Mortgagor in connection herewith shall survive the delivery of the Note, this Mortgage and all other Loan Documents, executed in connection herewith and the provisions hereof shall continue to inure to the benefit of Mortgagee, its successors and assigns until the expiration of all applicable statute of limitations periods.

SECTION 10.17 WAIVER OF JURY TRIAL. No party to this Mortgage or any assignee, successor, heir or personal representative of a party shall seek a jury trial in any lawsuit, proceeding, counterclaim, or any other litigation proceedings based upon or arising out of this Mortgage, any related agreement or instrument, any other collateral for the Indebtedness or the dealings or the relationship between or among the parties, or any of them. No party will seek to consolidate any such action, in which a jury trial has been waived, with any other action in which a jury trial cannot or has not been waived. The provisions of this Section have been fully discussed by the parties hereto, and these provisions shall be subject to no exceptions. No party has in any way agreed with or represented to any other party that the provisions of this Section will not be fully enforced in all instances.

SECTION 10.18 MINIMUM REQUIREMENT. Mortgagor recognizes that the requirements imposed upon Mortgagor hereunder, including, without limitation, insurance requirements, are minimum requirements as determined by Mortgagee and do not constitute a representation that the requirements are complete or adequate. Mortgagor understands that it is Mortgagor's duty and responsibility to act prudently and responsibly at all times for Mortgagor's protection and for the protection of the Premises.

SECTION 10.19 CONSENTS BY MORTGAGEE. If Mortgagor requests Mortgagee's review of, consent to and/or execution of documents in connection with (a) the assignment of the Mortgage and other Loan Documents to a subsequent lender, (b) a subordination agreement with a tenant of the Premises, which subordination agreement is on a form that is not Mortgagee's standard form, or (c) any other transaction for which Mortgagor seeks Mortgagee's approval except for lease approvals, Mortgagor agrees that it shall (i) provide copies of such documents and other documentation or information as Mortgagee deems necessary, satisfactory in all respects to Mortgagee, (ii) give Mortgagee thirty (30) days prior written notice of such requested consent and after receipt of all items in (i) above; and (iii) pay Mortgagee a processing fee not to exceed Three Thousand and 00/100 Dollars (\$3,000.00) and attorneys' fees and costs, if any. If required by Mortgagee, Mortgagor shall also provide to Mortgagee a deposit of \$5,000.00, which deposit Mortgagee shall hold in a non-interest bearing account and not return to Mortgagor until such time as Mortgagee determines that Mortgagee has received all information necessary in connection with Mortgagor's request.

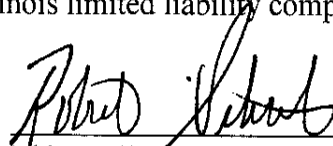
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IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be executed and delivered by a member this _____ day of July, 2003.

"MORTGAGOR"

3703 West Lake, L.L.C.,
an Illinois limited liability company

By:


Robert Silverstein, a member *manager*

Property of Cook County Clerk's Office

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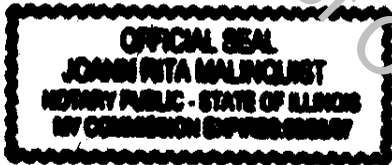
STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

Before me, a Notary Public, in and for said county and state this 16th day of July, 2003, personally appeared 3703 West Lake, L.L.C., an Illinois limited liability company by Robert Silverstein, a ~~member~~ ^{manager} who acknowledged for and on behalf of the limited liability company the execution of the foregoing Mortgage and Security Agreement and Fixture Financing Statement With Assignment of Leases and Rents as the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned.

Witness my hand and Notarial Seal.

Jean Rita Malmquist
Notary Public

JEAN RITA MALMQUIST
Printed



My Commission Expires:

8/25/07

This document prepared by and after recording should be returned to Michael D. Moriarty, Attorney at Law, LOCKE REYNOLDS LLP, 201 North Illinois Street, Suite 1000, P.O. Box 44951, Indianapolis, Indiana 46244-0961, (317) 237-3800.

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EXHIBIT "A"

to

MORTGAGE AND SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT WITH ASSIGNMENT OF LEASES AND RENTS

Legal Description:

PARCEL 1:

LOT 2 IN MORELLI'S RESUBDIVISION OF LOTS 1, 2 AND 3 OF PART OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 28, TOWNSHIP 42 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

NON-EXCLUSIVE, PERPETUAL EASEMENTS IN FAVOR OF PARCEL 1, AFORESAID AS CREATED BY RECIPROCAL GRANT OF EASEMENTS DATED JULY 31, 1989 AND RECORDED AUGUST 4, 1989 AS DOCUMENT 89358281 FOR INGRESS AND EGRESS FROM AND TO LAKE AVENUE OVER SO MUCH OF LOT 1 IN SAID MORELLI'S SUBDIVISION AS IS PRESENTLY OR SUBSEQUENTLY IMPROVED AS PART OF A DRIVEWAY AND LANES FOR USE OF VEHICULAR TRAFFIC USED IN CONNECTION WITH SAID PARCEL 1, AND OVER THOSE PORTIONS OF LOT 1 IN SAID SUBDIVISION FOR THE USE OF MARKED PARKING SPACES.

PIN: 04-28-300-028-0000