0322339039
Eugene "Gene" Moore Fee: $124.00
Cook County Recorder of Deeds
Date: 08/11/2003 11:55 AM Pg: 1 of 51

RETURN TO:
Local Oklahoma Bank
3601 N.W. 63RD STREET
Oklahoma City, OK. 73116
ATTN: BARRETT MATTHEWS

Space above this line for recorder's use only

[Cook County]

# MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES, RENTS & PROFITS AND FIXTURE FILING

Dated: August 11, 2003

**Mortgagor:**

U-Stor-It (Busse Rd.) L.L.C.
655 Big Timber Road
Elgin, Illinois 60123

**Mortgagee:**

Local Oklahoma Bank
3601 N.W. 63rd Street
Oklahoma City, Oklahoma 73116

**Mortgaged Property:**

The common addresses and tax identification numbers for the Mortgaged Property are: 1800 Busse Road, City of Des Plaines, County of Cook, State of Illinois, having County Tax Assessor Permanent Index Numbers: 09-21-107-052, 09-21-107-053, and 09-21-107-054.

**Prepared by:**

Gary A. Bryant
Mock, Schwabe, Waldo, Elder,
Reeves & Bryant
Fourteenth Floor, Two Leadership Square
211 North Robinson
Oklahoma City, Oklahoma 73102

BOX 15

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**MORTGAGE, SECURITY AGREEMENT,**
**ASSIGNMENT OF LEASES, RENTS & PROFITS AND FIXTURE FILING**

THIS MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES, RENTS & PROFITS AND FIXTURE FILING ("Mortgage") is executed and delivered as of the 11th day of August, 2003, by **U-STOR-IT (BUSSE RD.) L.L.C.**, an Illinois limited liability company ("Mortgagor"), having a mailing address of 655 Big Timber Road, Elgin, Illinois 60123, and **LOCAL OKLAHOMA BANK**, an Oklahoma state banking corporation ("Mortgagee"), having its principal office and mailing address at 3601 N.W. 63rd Street, Oklahoma City, Oklahoma 73116.

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, and to secure payment and performance of the Secured Indebtedness (as hereinafter defined), and the performance of the covenants, agreements and promises contained in the Note (as hereinafter defined), this Mortgage, and all documents, instruments and agreements securing payment of the Note (the Note, this Mortgage and all other documents, instruments and agreements now or hereafter executed in connection with or to evidence or secure the Secured Indebtedness are hereinafter referred to collectively as the "Loan Documents"), Mortgagor does hereby **GRANT, BARGAIN, SELL, CONVEY, ASSIGN AND MORTGAGE** unto Mortgagee, and grants to Mortgagee a lien on and security interest in and to, all of the following, whether now owned or hereafter acquired by Mortgagor:

(a) All of that certain lot, piece or parcel of land more particularly described in Exhibit "A" attached to this Mortgage and by this reference made a part hereof (the "Land");

(b) TOGETHER WITH all of Mortgagor's right, title and interest in and to all and singular the easements, rights-of-way, franchises, servitudes, licenses, privileges, passages, sewer rights, drainage rights, water, water courses, water rights (including, without limitation, shares of stock evidencing the same), lawn plants, shrubbery, tenements, hereditaments and appurtenances now or hereafter belonging, relating or appertaining to the Land and all the estate, right, title and interest of Mortgagor in and to the roads, streets, avenues, lanes, alleys and rights-of-way, public and/or private, in front of, adjoining or adjacent to the Land and any land lying in the bed of any road, street, avenue, lane, alley or right-of-way in front of, adjoining or adjacent to the Land, and any strips and gores within or adjoining said Land, the air space and right to use said air space above said Land, all rights of ingress and egress by motor vehicles to parking facilities on or within said land, and all of Mortgagor's estate, right, title and interest in and to the oil, gas, coal, metallic ores and other minerals in, under and that may be produced from the Land and all royalty, leasehold and other rights pertaining thereto (all of Mortgagor's right, title and interest in the Land and the other rights, interests and properties described in this paragraph (b), whether now owned or hereafter acquired, are herein referred to collectively as the "Real Property");

(c) TOGETHER WITH all buildings, structures, open parking areas and other improvements and appurtenances owned by Mortgagor now or hereafter located, constructed, erected, installed, affixed, placed and/or maintained in or upon the Real Property or any part thereof,

together with accessions and additions thereto, all replacements and alterations thereof and all substitutions therefor (collectively, the "Improvements");

(d) TOGETHER WITH all fixtures, goods and goods to become fixtures, and all articles of personal property and all accessions and additions thereto, all replacements and alterations thereof and all substitutions therefor, now or at any time hereafter owned by Mortgagor and now or hereafter affixed or attached to, contained in or used in connection with the Real Property and/or any of the Improvements or installed, placed or maintained on any part thereof, though not attached thereto, including, but not limited to, all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, all elevator, incinerating, heating, lighting, plumbing, ventilating, air-conditioning and refrigerating equipment, apparatus, systems and plants, all stoves, refrigerators, ranges, vacuum cleaning systems, call systems, sprinkler systems and fire prevention and extinguishing equipment, apparatus, systems and materials, all maintenance equipment and tools, all other motors, machinery, pipes, appliances, equipment, fittings and fixtures, and all other items or types of chattels and tangible personal property which are now or hereafter affixed or attached to, contained in, installed, placed, maintained or used on, or which arise out of the development, improvement, operation, leasing or use of, the Real Property and/or the Improvements owned by Mortgagor, together with all accessions and additions thereto, all replacements and alterations thereof, all substitutions therefor and all proceeds thereof;

(e) TOGETHER WITH all general intangibles, contract rights and accounts (as such terms are defined in or encompassed by the Uniform Commercial Code of the state in which the Real Property is situated) or fees, charges, or other payments for the occupancy of rooms or other public facilities arising out of or in connection with or relating to the development, improvement, operation, leasing, use or sale of the Real Property and/or the Improvements and all documents of title, chattel paper, permits, approvals, licenses, franchises, certificates and similar documents, all contracts leasing and/or renting labor, goods, equipment and/or services, all service and/or maintenance agreements, management contracts, marketing contracts, architects' contracts, engineers' contracts and other professional contracts, all brokers' contracts, construction contracts and other contracts and agreements relating to the Real Property and/or the Improvements, all mortgage and/or financing commitments relating to the Real Property and/or the Improvements, all warranties, guaranties and bonds, all surveys, soil and substrata studies, all other studies of every type, all architectural renderings, site plans, engineering plans and studies, floor plans, landscape plans and other plans, all drawings, blueprints, plans, specifications, data, reports, tests, studies, appraisals and like documents relating to all or any part of the Real Property and/or the Improvements owned by Mortgagor, and all other rights and privileges obtained by Mortgagor in connection with the Real Property and/or the Improvements;

(f) TOGETHER WITH all purchase contracts relating to the Real Property, or any part thereof, and all rents, issues and profits which may hereafter become due under or by virtue of any lease or rental contract, written or verbal, or any letting of, or any agreement for the use or occupancy of all or any part of the Real Property and/or any part of the Improvements;

(g) TOGETHER WITH all judgments and awards (and all proceeds thereof and other rights with respect thereto) made or to be made with respect to any part of the Real Property and/or any part of the Improvements, under or in connection with any power of eminent domain;

(h) TOGETHER WITH all rights to collect and receive any insurance proceeds or other sums payable as or for damages to any part of the Improvements and/or any part of the tangible personal property located on or in the Real Property and/or the Improvements, for any reason or by virtue of any occurrence;

(i) TOGETHER WITH all rights to receive any reimbursements, fees or amounts payable by any city, county, municipal or other body as a result of Mortgagor's ownership of any part of the Real Property and/or Improvements;

(j) TOGETHER WITH all betterments, accessions, additions, appurtenances, accessories, replacements, substitutions and revisions relating to any of the foregoing;

(k) TOGETHER WITH all presently existing and future agreements between Mortgagor and any third party which relate in any way to any of the foregoing;

(l) TOGETHER WITH all rights and entitlements to develop the Real Property granted by any governmental or quasi governmental authority; and

(m) TOGETHER WITH all other things and additional rights of any nature, of value or convenience in the enjoyment, development, operation, leasing or use, in any way, of any property or interest included in any of the foregoing paragraphs concerning or related to the Real Property and Improvements, all prepaid accounts and utility deposits, and all revenues, income, rents, tenant security deposits, issues and profits and other benefits arising therefrom or from any contract now in existence or hereafter entered into pertaining thereto, and all rights, title and interests appurtenant thereto and all proceeds of all of the foregoing described property and interests.

(All of the tangible and intangible personal property described in this Mortgage is hereinafter sometimes collectively referred to as the "Collateral," and all of the above-described Real Property, Improvements, fixtures, Collateral and other property are hereinafter collectively referred to as the "Mortgaged Property," and are hereby declared to be subject to the liens and security interests of this Mortgage.)

TO HAVE AND TO HOLD the Mortgaged Property, together with the rights, privileges and appurtenances thereto belonging, unto Mortgagee, its successors and assigns, forever, and Mortgagor hereby binds itself and its successors and assigns, and covenants and agrees as follows:

1. **SECURED INDEBTEDNESS.** This Mortgage is executed, acknowledged and delivered to secure payment and performance of the following described indebtedness and obligations of Mortgagor: (a) all principal, interest, after-default interest, prepayment premiums, charges and fees due under the certain Promissory Note of even date herewith (the "Note"), in the

principal amount of Two Million Seven Hundred Seventy-One Thousand Two Hundred Fifty and 00/100 Dollars ($2,814,000.00), signed by Mortgagor to the order of Mortgagee, having a maturity date of September 1, 2008, the original of which Note is maintained at the office of Mortgagee, and the terms and provisions of which Note are incorporated herein by this reference as if fully set forth herein, together with any and all extensions, renewals, modifications, rearrangements, consolidations, substitutions and changes in form of such Note; and (b) any and all future advances which may be made to Mortgagor by Mortgagee under the Note; and (c) any and all other indebtedness, of whatever kind or character, now owing or that may hereafter become owing by Mortgagor to Mortgagee; and (d) any and all sums which Mortgagee may expend or become obligated to expend, at Mortgagee's option, to cure any breach or default of Mortgagor under this Mortgage, together with interest on all sums from the respective dates which Mortgagee may expend at the Default Rate of interest set forth in the Note or the highest rate permitted by law, whichever is less; and (e) any and all amounts which Mortgagee may expend or become obligated to expend in collecting the indebtedness secured hereby or the rents assigned to Mortgagee, in foreclosing the lien of this Mortgage, in preserving or protecting any of the Mortgaged Property, or in pursuing or exercising any other right or remedy hereunder or with respect to this Mortgage arising from or as a consequence of any default of Mortgagor hereunder, including, but not limited to reasonable attorneys' fees, court costs, abstracting expenses, receivers' fees, appraisers' fees, watchmen's fees, storage fees and other expenses reasonably incurred to protect and preserve the Mortgaged Property or in maintaining the priority of this Mortgage or in retaking, holding, preparing for sale or selling the Collateral, together with interest on all such sums from the respective dates which Mortgagee may expend at the after-default rate of interest set forth in the Note or the highest rate permitted by law, whichever is less, (all of the above-described indebtedness and obligations are hereinafter collectively referred to as the "Secured Indebtedness").

2. **COVENANTS AND AGREEMENTS OF MORTGAGOR.** In addition to all other representations, warranties, covenants and agreements of Mortgagor in this Mortgage, Mortgagor hereby represents, warrants, covenants and agrees as follows:

2.1 Payment of Secured Indebtedness. Mortgagor will punctually pay the Secured Indebtedness in immediately available funds as provided in the Note, all in the coin and currency of the United States of America which is legal tender for the payment of public and private debts.

2.2 Title to the Mortgaged Property. Mortgagor warrants that: (a) Mortgagor has good, indefeasible and marketable title to the Mortgaged Property subject only to those exceptions to title set forth in Exhibit "B" attached to this Mortgage and by this reference made a part hereof (the "Permitted Exceptions"); (b) Mortgagor has full power and lawful authority to encumber the Mortgaged Property in the manner and form set forth in this Mortgage; (c) Mortgagor will own all fixtures and articles of personal property now or hereafter affixed and/or used in connection with the Mortgaged Property (except those items of personal property, including fixtures owned by tenants of the Mortgaged Property, unless and to the extent Mortgagor has an interest in the same arising under a landlord's lien or otherwise), including any substitutions or replacements thereof, free and clear of liens and claims; (d) this Mortgage is and will remain a valid and enforceable first lien on the

Mortgaged Property, and (e) Mortgagor will preserve such title, and will forever warrant and defend the same to Mortgagee and will forever warrant and defend the validity and priority of the lien of this Mortgage against the claims of all persons and parties whomsoever, subject, however, to the Permitted Exceptions.

2.3 Maintenance of the Mortgaged Property. Mortgagor shall maintain the Mortgaged Property in good repair, shall comply with the requirements of any governmental authority having or claiming jurisdiction over the Mortgaged Property within thirty (30) days after an order containing such requirement has been issued by any such authority (unless a shorter time is specified in the order) and shall permit Mortgagee to enter upon the Mortgaged Property and inspect the Mortgaged Property at all reasonable hours and upon reasonable notice to Mortgagor, subject to the reasonable rights of the tenants. Mortgagor shall not, without the prior written consent of Mortgagee, threaten, commit, permit or suffer to occur any waste, material alteration, demolition or removal of the Mortgaged Property or any part thereof (including any portable storage facilities which shall, under all circumstances, remain on the Real Property); provided, however, that fixtures and articles of personal property may be removed from the Mortgaged Property if Mortgagor concurrently therewith replaces the same with similar items of equal or greater value, free of any lien, charge or claim of superior title. Mortgagee shall have the right at any time and from time to time to enter upon and inspect the Mortgaged Property or any part thereof and to be advised by Mortgagor with respect to the Mortgaged Property and all of Mortgagor's business conducted thereon, subject to the reasonable rights of the tenants of the Mortgaged Property.

2.4 Insurance; Restoration.

(a) Mortgagor shall keep the Mortgaged Property insured against damage by fire and the other hazards covered by a standard extended coverage insurance policy for the full insurable value thereof (which, unless Mortgagee shall otherwise agree in writing, shall mean the full repair and replacement value thereof without reduction for depreciation or co-insurance). In addition, Mortgagee may require Mortgagor to carry such other insurance on the Mortgaged Property, in such amounts as may from time to time be reasonably required by institutional lenders, against insurable casualties (including risks of war and nuclear explosion), sinkhole, earthquake, including subsidence, and contingent liability from operation of any kind of nonconforming property, which at the time are commonly insured against in the case of premises similarly situated, due regard being given to the site and the type of the Improvements, and the construction, location, utilities and occupancy or any replacements or substitutions therefor. Mortgagor shall additionally keep the Mortgaged Property insured against loss by flood or mudslide if the Mortgaged Property is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards or special mudslide hazards and in which flood and/or mudslide insurance has been made available under the National Flood Insurance Act of 1968 (and any successor act thereto) in an amount at least equal to the outstanding Secured Indebtedness or the maximum limit of coverage

available with respect to the Improvements under said Act, whichever is less, and will assign and deliver the policy or policies of such insurance to Mortgagee, so and in such manner and form that Mortgagee and its successors and assigns shall at all times have and hold the said policy or policies as collateral and further security for the payment of the Secured Indebtedness until the full payment of the Secured Indebtedness. In addition, from time to time, upon the occurrence of any change in the use, operation or value of the Mortgaged Property, or in the availability of insurance in the area in which the Mortgaged Property is located, Mortgagor shall, within fifteen (15) days after demand by Mortgagee, take out such additional amounts and/or such other kinds of insurance as Mortgagee may reasonably require. Otherwise, Mortgagor shall not take out any separate or additional insurance which is contributing in the event of loss unless it is properly endorsed and otherwise satisfactory to Mortgagee in all respects. The proceeds of insurance paid on account of any damage or destruction to the Mortgaged Property or any part thereof shall be paid over to Mortgagee to be applied as provided in paragraph 2.4(b) of this Mortgage.

(b) Mortgagee shall have the option in its sole discretion to apply any insurance proceeds it may receive pursuant to this paragraph 2.4 to the payment of the Secured Indebtedness or to allow all or a portion of such proceeds to be used for the restoration of the Mortgaged Property. If insurance proceeds are made available for payment of costs of restoration of the Mortgaged Property, such use of the proceeds shall be governed by the following paragraphs.

(i) In the event of damage or destruction to the Mortgaged Property, Mortgagor shall give prompt written notice thereof to Mortgagee, and Mortgagor shall promptly commence and diligently repair, restore and rebuild that part of the Mortgaged Property so damaged or destroyed (such repair, restoration and rebuilding of the Mortgaged Property is hereinafter collectively referred to as the "Work") so that the Mortgaged Property is restored in full compliance with all legal requirements and so that the Mortgaged Property shall be at least equal in value and general utility as the Mortgaged Property was prior to the damage or destruction, and if any part of the Work to be done is structural or if the cost of the Work as estimated by Mortgagee will exceed Fifty Thousand and No/100 Dollars ($50,000.00), then Mortgagor shall, prior to the commencement of the Work, furnish to Mortgagee: (A) complete plans and specifications for the Work, which plans and specifications shall bear the signed approval thereof by all governmental authorities whose approval is required and by an architect ("Architect") satisfactory to Mortgagee and shall be accompanied by the Architect's signed estimate, bearing the Architect's seal, of the entire cost of completing the Work and shall be subject to Mortgagee's written approval, which approval will not be unreasonably withheld; (B) certified or photostatic copies of all permits and approvals required by law in connection with the commencement and conduct of the Work; and (C) a surety bond for and/or guaranty of the

payment for and completion of, the Work, which bond or guaranty shall be in form satisfactory to Mortgagee and shall be signed by a surety or sureties, or guarantor or guarantors, as the case may be, who are acceptable to Mortgagee, and in an amount not less than the Architect's estimate of the entire cost of completing the Work, less the amount of insurance proceeds, if any, then held by Mortgagee for application toward the cost of the Work.

(ii) Mortgagor shall not commence any of the Work until Mortgagor shall have complied with the applicable requirements referred to in paragraph 2.4(b)(i) above, and after commencing the Work Mortgagor shall perform the Work diligently and in good faith in accordance with the plans and specifications referred to in paragraph 2.4(b)(i) above, if applicable.

(iii) All insurance proceeds recovered by Mortgagee on account of damage or destruction to the Mortgaged Property less the cost, if any, to Mortgagee of such recovery and of paying out such proceeds (including attorneys' fees and costs allocable to inspecting the Work and the plans and specifications therefor), shall, upon the written request of Mortgagor, be applied by Mortgagee to the payment of the cost of the Work referred to in paragraph 2.4(b)(i) above and shall be paid out from time to time to Mortgagor and/or, at Mortgagee's option exercised from time to time, directly to the contractor, subcontractors, materialmen, laborers, engineers, architects and other persons rendering services or materials for the Work, as said Work progresses except as otherwise hereinafter provided, but subject to the following conditions, any of which Mortgagee may waive:

(A) If the Work to be done is structural or if the cost of the Work will exceed Fifty Thousand and No/100 Dollars ($50,000.00), as determined by Mortgagee, the Architect shall be in charge of the Work;

(B) Each request for payment shall be made on seven (7) days' prior notice to Mortgagee and shall be accompanied by a certificate of the Architect if one is required by Mortgagee, otherwise by an executive or fiscal officer of Mortgagor, stating (1) that all of the Work completed has been done in substantial compliance with the approved plans and specifications, if any are required under paragraph 2.4(b)(i), and in accordance with all provisions of law; (2) that the sum requested is justly required to reimburse Mortgagor for payments by Mortgagor to, or is justly due to, the contractor, subcontractors, materialmen, laborers, engineers, architects or other persons rendering services or materials for the Work (giving a brief description of such services and materials), and that when added to all sums, if any, previously paid out by Mortgagee does not exceed the value of the Work done to the date of such

certificate; and (3) that the amount of such proceeds remaining in the hands of Mortgagee will be sufficient on completion of the Work to pay for the same in full (giving in such reasonable detail as Mortgagee may require an estimate of the cost of such completion);

(C) Each request shall be accompanied by waivers of liens satisfactory to Mortgagee covering that part of the Work previously paid for, if any, and by a search prepared by a title company or licensed abstractor or by other evidence satisfactory to Mortgagee, that there has not been filed with respect to the Mortgaged Property any mechanic's lien or other lien or instrument for the retention of title in respect of any part of the Work not discharged of record and that there exist no encumbrances on or affecting the Mortgaged Property other than encumbrances, if any, which are set forth in the title policy issued to Mortgagee insuring the lien of this Mortgage;

(D) There shall be no Event of Default on the part of Mortgagor under the Note, this Mortgage or any of the other Loan Documents; and

(E) The request for any payment after the Work has been completed shall be accompanied by a copy of any certificate or certificates required by law, if any, to render occupancy of the Improvements legal.

(iv) Upon completion of the Work and payment in full therefor, or upon failure on the part of Mortgagor promptly to commence or diligently to continue the Work, or at any time upon request by Mortgagor, Mortgagee may apply the amount of any such proceeds then or thereafter in the hands of Mortgagee to the payment of the Secured Indebtedness, *provided, however,* that upon the occurrence of an Event of Default and the continuance of such Event of Default after such notice of the Event of Default and such opportunity to cure the Event of Default as may be required by the Note, nothing herein contained shall prevent Mortgagee from applying at any time the whole or any part of such proceeds to the curing of such Event of Default.

(v) In the event the Work to be done is not structural or will not cost in excess of Fifty Thousand and No/100 Dollars ($50,000.00) as determined by Mortgagee, then the net insurance proceeds held by Mortgagee for application to the cost of the Work shall be paid to Mortgagor by Mortgagee upon completion of the Work, subject to the provisions of the foregoing paragraphs 2.4(b)(i), (ii) and (iii) except those which are applicable only if the Work to be done is structural or if the cost of the Work will exceed

Fifty Thousand and No/100 Dollars ($50,000.00), as determined by Mortgagee.

(vi) If within one hundred eighty (180) days after the occurrence of any damage or destruction to the Mortgaged Property requiring structural Work or Work which will cost in excess of Fifty Thousand and No/100 Dollars ($50,000.00) in order to restore the Mortgaged Property, Mortgagor shall not have submitted to Mortgagee and received Mortgagee's approval of plans and specifications (approved by the Architect and by all governmental authorities whose approval is required) for the repair, restoration and rebuilding of that part of the Mortgaged Property so damaged or destroyed, or if after such plans and specifications are approved by the Architect, all such governmental authorities and Mortgagee, Mortgagor shall fail to commence promptly such repair, restoration and rebuilding, or if thereafter Mortgagor fails diligently to continue such repair, restoration and rebuilding or is delinquent in the payment to mechanics, materialmen or others of the costs incurred in connection with such Work, or, in the case of any damage or destruction requiring neither structural work nor Work which will cost in excess of Fifty Thousand and No/100 Dollars ($50,000.00), as determined by Mortgagee, in order to restore the Mortgaged Property, if Mortgagor shall fail to repair, restore and rebuild promptly the part of the Mortgaged Property so damaged or destroyed then, in addition to all other rights herein set forth, and after giving Mortgagor ten (10) days' written notice of the nonfulfillment of one or more of the foregoing conditions, Mortgagee, or any lawfully appointed receiver of the Mortgaged Property, may at their respective options, perform or cause to be performed such repair, restoration and rebuilding, and may take such other steps as they deem advisable to perform such repair, restoration and rebuilding, and upon twenty-four (24) hours' prior notice to the extent reasonably necessary for any of the foregoing purposes, and Mortgagor HEREBY WAIVES, FOR MORTGAGOR AND ALL OTHERS HOLDING UNDER MORTGAGOR, ANY CLAIM AGAINST MORTGAGEE AND SUCH RECEIVER ARISING OUT OF ANYTHING DONE BY MORTGAGEE OR SUCH RECEIVER PURSUANT HERETO, and Mortgagee may apply insurance proceeds (without the need to fulfill any other requirements of this paragraph 2.4) to reimburse Mortgagee, and/or such receiver, for all amounts expended or incurred by them, respectively, in connection with the performance of such work, and any excess costs shall be paid by Mortgagor to Mortgagee upon demand.

(c) Mortgagor shall (i) provide public liability insurance with respect to the Mortgaged Property providing for limits of liability of not less than Three Million and No/100 Dollars ($3,000,000.00) for both injury to or death of a person and for property damage, per occurrence, (ii) provide use and occupancy insurance covering, as applicable, rental income or business interruption, with

coverage in an amount not less than twelve (12) months' anticipated gross rental income or gross business earnings, as applicable in each case, attributable to the Mortgaged Property, and (iii) maintain additional insurance on the Mortgaged Property as required by Mortgagee, including, but not limited to, builder's risk and worker's compensation insurance.

(d) All insurance policies required pursuant to this paragraph 2.4 shall be endorsed in form and substance acceptable to Mortgagee to name Mortgagee as an insured, loss payee or mortgagee thereunder, as its interest may appear, with loss payable to Mortgagee, without contribution, under a standard New York (or local equivalent) mortgagee clause. All such insurance policies and endorsements shall be fully paid for and contain such provisions and expiration dates and be in such form and issued by such insurance companies licensed to do business in the state where the Mortgaged Property is located, with a rating of "A-VI" or better as established by Best's Rating Guide or an equivalent rating with such other publication of a similar nature as shall be in current use, as shall be approved by Mortgagee. Without limiting the foregoing, each policy shall provide that such policy may not be cancelled or materially changed except upon thirty (30) days' prior written notice of intention of non-renewal, cancellation or material change to Mortgagee [ten (10) days in event of cancellation or non-renewal resulting solely from nonpayment of premium] and that no act or thing done by Mortgagor shall invalidate the policy as against Mortgagee. In the event Mortgagor fails to maintain insurance in compliance with this paragraph 2.4, Mortgagee may, but shall not be obligated to, obtain such insurance and pay the premium therefor and Mortgagor shall, on demand, reimburse Mortgagee for all sums, advances and expenses incurred in connection therewith. Mortgagor shall deliver copies of all original policies certified by the insurance company or authorized agent as being true copies to Mortgagee together with the endorsements thereto required hereunder. Notwithstanding anything to the contrary contained in this Mortgage or any provision of applicable law of any state, the proceeds of insurance policies coming into the possession of Mortgagee shall not be deemed trust funds and Mortgagee shall be entitled to dispose of such proceeds as provided in this Mortgage.

2.5 Maintenance of Existence. Mortgagor will, so long as it is owner of the Mortgaged Property, do all things necessary to preserve and keep in full force and effect its existence, franchises, rights and privileges under the laws of the state of its incorporation, or formation, as the case may be, and will comply with all regulations, rules, ordinance, statutes, orders and decrees of any governmental authority or court applicable to Mortgagor or to the Mortgaged Property or any part thereof.

2.6 Taxes and Other Charges.

(a) Mortgagor shall pay and discharge when due all taxes of every kind and nature, water rates, sewer rents and assessments, levies, permits, inspection and license fees and all other charges imposed upon or assessed against the

Mortgaged Property or any part thereof or upon the revenues, rents, issues, income and profits of the Mortgaged Property or arising in respect of the occupancy, use or possession of the Mortgaged Property and, unless Mortgagor is making monthly deposits with Mortgagee in accordance with paragraph 2.14 of this Mortgage, Mortgagor shall exhibit to Mortgagee within five (5) days after the same shall have become due, validated receipts showing the payment of such taxes, assessments, water rates, sewer rents, levies, fees and other charges which may be or become a prior lien on the Mortgaged Property. If Mortgagor defaults in the payment of any of the foregoing taxes, assessments, water rates, sewer rents or other charges, Mortgagee may, but shall not be obligated to, pay the same or any part thereof and Mortgagor shall, on demand, reimburse Mortgagee for all amounts so paid.

(b) Nothing in this paragraph 2.6 shall require the payment or discharge of any obligation imposed upon Mortgagor by paragraph 2.6(a) of this Mortgage so long as Mortgagor shall in good faith and at its own expense contest the same or the validity thereof by appropriate legal proceedings, which proceedings must operate to prevent the collection thereof or other realization thereon and the sale or forfeiture of the Mortgaged Property or any part thereof to satisfy the same; *provided* that during such contest Mortgagor shall, at the option of Mortgagee, provide security reasonably satisfactory to Mortgagee, assuring the discharge of Mortgagor's obligation thereunder and of any additional interest charge, penalty or expense arising from or incurred as a result of such contest; and *provided, further,* that if at any time payment of any obligation imposed upon Mortgagor by paragraph 2.6(a) of this Mortgage shall become necessary to prevent a lien foreclosure sale of the Mortgaged Property or any portion thereof because of nonpayment, then Mortgagor shall pay the same in sufficient time to prevent the foreclosure sale.

(c) In the event of the passage after the date of this Mortgage of any law of any governmental authority having jurisdiction, deducting from the value of land for the purpose of taxation any lien thereon, or changing in any way the laws for the taxation of deeds of trust, mortgages or debts secured thereby for federal, state or local purposes, or the manner of the collection of any such taxes, so as to affect this Mortgage, Mortgagor shall promptly pay to Mortgagee, on demand, all taxes, costs and charges for which Mortgagee is or may be liable as a result thereof, provided that if for any reason payment by Mortgagor of any such new or additional taxes, costs of charges would be unlawful, Mortgagee may at its option, upon demand, declare the Secured Indebtedness to be immediately due and payable, or Mortgagee may at its option, pay that amount or portion of such taxes, costs and charges of which payment by Mortgagor would be unlawful, and Mortgagor shall concurrently therewith pay the remaining lawful portions or balance of such taxes, costs and charges.

2.7 Mechanics' and Other Liens. Mortgagor shall promptly pay or cause to be paid when due all costs and expenses incurred in connection with the Mortgaged Property and the construction of the Improvements, and Mortgagor shall keep the Mortgaged

Property free and clear of any lien, security interest, charge, or claim other than the encumbrance of this Mortgage and other liens or security interests approved in writing by Mortgagee. Notwithstanding anything to the contrary contained in this Mortgage, Mortgagor (a) may contest the validity or amount of any claim of any contractor, consultant, engineer, architect, or other person providing labor, materials, or services with respect to the Mortgaged Property, (b) may contest any tax or special assessments levied by any governmental authority, and (c) may contest the enforcement of or compliance with any governmental requirements, and such contest on the part of Mortgagor shall not be a default hereunder; provided, however, that during the pendency of any such contest, Mortgagor shall furnish to Mortgagee and any title insurance company insuring the lien of this Mortgage in favor of Mortgagee an indemnity bond with corporate surety satisfactory to Mortgagee and such title company or other security acceptable to them in an amount equal to the amount being contested plus a reasonable additional sum to cover possible costs, interest, and penalties, and provided further that Mortgagor shall pay any amount adjudged by a court of competent jurisdiction to be due, with all costs, interest, and penalties thereon, before such judgment becomes a lien on the Mortgaged Property or any part thereof, or on the revenues, rents, issues, income or profits arising therefrom and, in general, Mortgagor shall do, or cause to be done, at the cost of Mortgagor and without expense to Mortgagee, everything necessary to fully preserve the lien of this Mortgage. In the event Mortgagor fails to make payment of such claims and demands, Mortgagee may, but shall not be obligated to, make payment thereof, and Mortgagor shall, on demand, reimburse Mortgagee for all sums so expended.

2.8 Condemnation Awards. Mortgagor, immediately upon obtaining knowledge of the institution of any proceeding for the condemnation of the Mortgaged Property or any part thereof, will notify Mortgagee of the pendency of such proceeding. Mortgagee may participate in any such proceeding and Mortgagor from time to time will deliver to Mortgagee all instruments requested by Mortgagee to permit such participation. All awards and compensation for the taking or purchase in lieu of condemnation of the Mortgaged Property or any part thereof are hereby assigned to and shall be paid to Mortgagee. Mortgagor hereby authorizes Mortgagee to collect and receive such awards and compensation, to give proper receipts and acquittances therefor, and in Mortgagee's sole discretion to apply the same toward the payment of the Secured Indebtedness, notwithstanding the fact that the Secured Indebtedness may not then be due and payable, or to the restoration of the Mortgaged Property. In the event that any portion of the condemnation award or compensation shall be used to reduce the Secured Indebtedness, the same shall be applied to the then unpaid installments of principal due under the Note in the inverse order of their maturity, such that the regular payments under the Note shall not be reduced or altered in any manner. Mortgagor, upon request by Mortgagee, shall make, execute and deliver any and all instruments requested for the purpose of confirming the assignment of the aforesaid awards and compensation to Mortgagee free and clear of any liens, charges or encumbrances of any kind or nature whatsoever. Mortgagee shall not be limited to the interest paid on the proceeds of any award or compensation, but shall be entitled to the payment by Mortgagor of interest at the applicable rate provided for herein or in the Note.

2.9 Mortgage Authorized. Mortgagor hereby represents and warrants that the execution and delivery of the Note, this Mortgage and the other Loan Documents have been duly authorized and that there is no provision in Mortgagor's certificate of incorporation or by-laws (if Mortgagor is a corporation) or Mortgagor's partnership agreement (if Mortgagor is a partnership), as same may have been amended, requiring further consent for such action by any other entity or person; Mortgagor is duly organized, validly existing and in good standing under the laws of the state of its incorporation or formation, as the case may be, and has (a) all necessary licenses, authorizations, registrations and approvals, and (b) full power and authority to own its properties and carry on its business as presently conducted; and the execution and delivery by and performance of Mortgagor's obligations under the Note, this Mortgage and the other Loan Documents will not result in Mortgagor being in default under any provision of Mortgagor's certificate of incorporation or by-laws (if Mortgagor is a corporation) or of Mortgagor's partnership agreement (if Mortgagor is a partnership), as the same may have been amended, or of any mortgage, credit or other agreement to which Mortgagor is a party.

2.10 Costs of Defending and Upholding the Lien. If any action or proceeding is commenced to which action or proceeding Mortgagee is made a party or in which it becomes necessary to defend or uphold the lien of this Mortgage, provided Mortgagee prevails, Mortgagor shall, on demand, reimburse Mortgagee for all expenses (including, without limitation, reasonable attorneys' fees and appellate attorneys' fees) incurred by Mortgagee in any such action or proceeding. In any action or proceeding to foreclose this Mortgage or to recover or collect the Secured Indebtedness, the provisions of law relating to the recovering of costs, disbursements and allowances shall prevail unaffected by this covenant.

2.11 Additional Advances and Disbursements. Mortgagor shall pay when due all payments and charges on all liens, encumbrances, ground and other leases, and security interests which may be or become superior or inferior to the lien of this Mortgage, and, in default thereof, Mortgagee shall have the right, but shall not be obligated, to pay, upon written notice to Mortgagor, such payments and charges and Mortgagor shall, on demand, reimburse Mortgagee for amounts so paid. In addition, upon default of Mortgagor in the performance of any other terms, covenants, conditions or obligations by it to be performed under any such prior or subordinate lien, encumbrance, lease or security interest, Mortgagee shall have the right, but shall not be obligated, to cure such default in the name and on behalf of Mortgagor. All sums advanced and reasonable expenses incurred at any time by Mortgagee pursuant to this paragraph 2.11 or as otherwise provided under the terms and provisions of this Mortgage or under applicable law shall bear interest from the date that such sum is advanced or expense incurred, to and including the date of reimbursement, computed at an interest rate equal to the after-default rate of interest set forth in the Note or the highest rate permitted by law, whichever is less.

2.12 Costs of Enforcement. Mortgagor agrees to bear and pay all expenses (including reasonable attorneys' fees and appellate attorneys' fees) of or incidental to the enforcement of any provision hereof, or the enforcement, compromise or settlement of this

Mortgage or the Secured Indebtedness, and for the curing of an Event of Default, or for defending or asserting the rights and claims of Mortgagee in respect thereof, by litigation or otherwise. All rights and remedies of Mortgagee shall be cumulative and may be exercised singly or concurrently. Notwithstanding anything herein contained to the contrary, Mortgagor: (a) hereby waives notice of intention to accelerate the Secured Indebtedness, and notice of acceleration of the Secured Indebtedness, (b) will not (i) at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any stay or extension or moratorium law, any exemption from execution or sale of the Mortgaged Property or any part thereof, wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Mortgage, nor (ii) claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of the Mortgaged Property, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision herein, or pursuant to the decree, judgment or order of any court of competent jurisdiction, or (iii) after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted to redeem the property so sold or any part thereof; (c) hereby expressly waives all benefit or advantage of any such law or laws; and (d) covenants not to hinder, delay or impede the execution of any power herein granted or delegated to Mortgagee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. Mortgagor, for itself and all who may claim under it, waives, to the extent that it lawfully may, all right to have the Mortgaged Property marshaled upon any foreclosure hereof.

2.13 Taxes on Mortgagee. Mortgagor shall pay any and all taxes, charges, filing, registration and recording fees, excises and levies imposed upon Mortgagee by reason of its ownership of the Note or the security created by this Mortgage or any mortgage or deed of trust supplemental hereto, any security instrument with respect to any fixtures, equipment or personal property owned by Mortgagor at the Mortgaged Property and any instrument of further assurance, other than income, franchise and doing business taxes, and shall pay all stamp taxes, intangible taxes and other taxes required to be paid on the Note, this Mortgage or any of the other Loan Documents. In the event Mortgagor fails to make such payment within ten (10) days after written notice thereof from Mortgagee, then Mortgagee shall have the right, but shall not be obligated, to pay the amount due, and Mortgagor shall, on demand, reimburse Mortgagee for said amount.

2.14 Escrow Deposits. Mortgagor shall deposit with Mortgagee, monthly, one-twelfth (1/12th) (a) of the annual charges for real estate taxes, assessments and other charges which might become a lien upon the Mortgaged Property, and (b) the annual charges for premiums on insurance policies which Mortgagor is required to maintain on the Mortgaged Property. In addition, if required by Mortgagee, Mortgagor shall simultaneously therewith deposit with Mortgagee a sum of money which together with the monthly installments aforementioned will be sufficient to make each of the payments aforementioned at least thirty (30) days prior to the date such payments are due. If any of said charges are not ascertainable at the time any deposit is required to be made with Mortgagee, the deposit shall be made on the basis of Mortgagee's reasonable estimate of the charges for the current year or, at Mortgagee's election, on the basis of the charges for the prior year, and when the

charges are fixed for the then current year, Mortgagor shall deposit any deficiency with Mortgagee. All funds so deposited with Mortgagee shall be held by Mortgagee and shall earn interest at Mortgagee's "money-market" account rate from time to time prevailing and may be commingled by Mortgagee with its general funds. So long as no Event of Default has occurred and continues after such notice of the Event of Default and such opportunity to cure the Event of Default as may be required by the Note, funds so deposited by Mortgagor shall be applied by Mortgagee in payment of the charges aforementioned when and as payable, to the extent Mortgagee shall have received such payments from Mortgagor. Should an Event of Default occur and continue after such notice of the Event of Default and such opportunity to cure the Event of Default as may be required by the Note, the funds deposited with Mortgagee, as aforementioned, may be applied in payment of the charges for which such funds shall have been deposited or to the payment of the Secured Indebtedness or any other charges affecting the security of Mortgagee, as Mortgagee sees fit, but no such application shall be deemed to have been made by operation of law or otherwise until actually made by Mortgagee as herein provided. If deposits are being made with Mortgagee, Mortgagor shall furnish Mortgagee with bills for the charges for which such deposits are required to be made hereunder and/or such other documents necessary for the payment of same, at least fifteen (15) days prior to the date on which the charges first become payable. Mortgagee shall pay charges to the applicable taxing authorities by a date which will maximize any available discounts for early payment thereof, provided that Mortgagee shall not in any event be obligated to pay any charges sooner than fifteen (15) days after Mortgagee's receipt from Mortgagor of the bill(s) for such charges, and further provided Mortgagor has deposited adequate funds with Mortgagee for payment of the same. In the event Mortgagor fails to pay any charges referenced in this paragraph, Mortgagee may, but shall not be obligated to, make payment thereof, and Mortgagor shall, on demand, reimburse Mortgagee for all sums so expended. *Notwithstanding any language in this Paragraph to the contrary, so long as there does not exist any Event of Default and Mortgagor promptly pays all premiums for insurance which it is required to maintain under the terms of this Mortgage and provides to Mortgagee evidence of payment of such premiums, as and when required by this Mortgage, together with acceptable proof of continued insurance coverage as required by this Mortgage, Mortgagee will not require monthly deposits for insurance premiums.*

2.15 Late Charge. Mortgagor will pay as and when due the Late Charge established under, and calculated pursuant to, the provisions of paragraph 5 of the Note, which paragraph 5 is incorporated herein by this reference.

2.16 Financial Statements. Mortgagor shall furnish to Mortgagee:

(a) within forty-five (45) days after the end of each calendar quarter, Mortgagor prepared, quarterly financial statements for the Mortgaged Property, consisting of a balance sheet and a statement of income and expenses for the Mortgaged Property, each in reasonable detail and certified as true and complete by Mortgagor;

(b) within sixty (60) days after the end of each calendar year, Mortgagor prepared, annual financial statements for the Mortgaged Property, consisting of a balance sheet and a statement of income and expenses of the Mortgaged Property, each in reasonable detail and certified as true and complete by Mortgagor;

(c) by March 1 of each year (i) Mortgagor's balance sheet as of the end of the prior calendar year, in reasonable detail and certified as true and complete by Mortgagor, and (ii) financial statements for each Guarantor (as defined in the Note) as of the end of the prior calendar year, each of which financial statement shall be certified by the Guarantor identified therein;

(d) within thirty (30) days after filing, but not later than October 1 in any event, (i) a copy of Mortgagor's Federal income tax return for the prior year, with all schedules attached, and (ii) a copy of each Guarantor's Federal income tax return for the prior calendar year, with all schedules attached. If Mortgagor or any Guarantor files for an extension of the deadline for the filing of such tax returns, Mortgagor and/or such Guarantor, as applicable, shall deliver to Mortgagee a copy of such extension filed within ten (10) days after such filing, but not later than May 1 in any event; and

(e) with each delivery to Mortgagee of any of the foregoing financial statements and at any other time upon Mortgagee's request, a rent schedule for the Mortgaged Property, certified as true and complete by Mortgagor, showing the name of each tenant, and for each tenant, the space occupied, the lease expiration date, the rent payable, the rent paid to date, and the security deposit being held for such tenant.

If Mortgagor fails to timely furnish Mortgagee with any of the financial information and reports set forth in this paragraph within the required time periods, or if Mortgagee shall at any time or from time to time determine that it is necessary to audit any financial information provided by Mortgagor pursuant to this paragraph, Mortgagee shall have the right, upon thirty (30) days written notice to Mortgagor, acting in its sole discretion, (i) to hire a certified public accounting firm reasonably acceptable to Mortgagee, to prepare such financial information and reports, on an audited basis, or (ii) to have Mortgagee's employees examine all of Mortgagor's books and records and prepare such financial information and reports. The costs and expenses of such accounting firm shall be paid by Mortgagor on demand and, to the extent advanced by Mortgagee become, with interest thereon from the date advanced by Mortgagee at the Default Rate, constitute additional Secured Indebtedness of Mortgagor secured by the Loan Documents.

2.17 Restrictive Covenants Relating to Leases. Mortgagor hereby covenants and agrees with Mortgagee as follows:

(a) Mortgagor shall (i) fulfill, perform and observe each and every condition and covenant of Mortgagor contained in the leases covering any portion of the Mortgaged Property; (ii) at the sole cost and expense of Mortgagor, diligently seek to enforce, short of termination of a lease, the performance and observance of each and every covenant and condition of the leases to be performed or observed by the lessees thereunder; and (iii) appear in and defend any action growing out of, or in any manner connected with, any of the leases or the obligations or liabilities of Mortgagor, as lessor thereunder, or of any of the lessee's or guarantors thereunder.

(b) Mortgagor, at Mortgagee's request, shall furnish Mortgagee with executed copies of all leases now existing or hereafter made of all or any part of the Mortgaged Property. Without the prior written consent of Mortgagee, Mortgagor shall not: (i) execute or permit to exist any lease of all or a substantial part of the Mortgaged Property except for occupancy by the tenants thereof; (ii) discount any rents or collect the same for a period of more than three months in advance; (iii) execute any conditional bill of sale, chattel mortgage, security agreement or any other security instruments covering any furniture, furnishings, fixtures and equipment, intended to be incorporated in the Mortgaged Property or the appurtenances thereto, or covering articles of personal property placed in the Mortgaged Property, or purchase any of such furniture, furnishings, fixtures and equipment so that ownership of the same will not vest unconditionally in Mortgagor, free from encumbrances on delivery to the Mortgaged Property; (iv) further assign the leases, rents and profits of or relating to the Mortgaged Property; or (v) enter into any new lease or cancel, extend or modify an existing lease for any space to be leased except in the normal course of prudent leasing activity intended to maximize income to the Mortgaged Property. The holder of any subordinate lien shall have no right to terminate any lease affecting the Mortgaged Property whether or not such lease be subordinate to this Mortgage and other Loan Documents. Nothing contained in this paragraph shall constitute or be construed as an approval by Mortgagee of any subordinate lien on the Mortgaged Property, or any part thereof.

(c) Mortgagor shall authorize and direct, and does hereby authorize and direct, each and every present and future lessee to pay rent directly to Mortgagee upon receipt of written notice from Mortgagee that an Event of Default exists beyond any applicable cure period contained in the Note and that Mortgagee demands payment of rent to Mortgagee. Further, upon request of Mortgagee, at any time, Mortgagor will deliver a written notice to each lessee of the Mortgaged Property, which notice shall inform such lessee of Mortgagor's assignment to Mortgagee pursuant to paragraph 4 of this Mortgage and instruct it that, upon its receipt of notice from Mortgagee of the existence of an Event of Default, all rent due thereafter shall be paid to Mortgagee.

(d) Mortgagee shall not be obligated to perform or discharge any obligation under the leases assigned to Mortgagee under or by reason of the provisions of paragraph 4 of this Mortgage, and Mortgagor hereby agrees to

indemnify and hold harmless Mortgagee from and against any and all liability, loss or damage (including, without limitation, reasonable attorneys' fees and court costs) which Mortgagee may suffer or incur or become liable for under the leases or under or by reason of the provisions of paragraph 4 of this Mortgage and from and against all claims and demands whatsoever which may be asserted against Mortgagee by reason of any act of Mortgagee carried out in accordance with paragraph 4 of this Mortgage or under any of the leases or by reason of any alleged obligation or undertaking on Mortgagee's part to perform or discharge any of the terms of such leases except for Mortgagee's gross negligence or willful misconduct.

2.18 Estoppel Certificates. Mortgagor, within ten (10) days upon request in person or within fifteen (15) days upon request by mail, shall furnish to Mortgagee a written statement, duly acknowledged, setting forth the amount secured by this Mortgage, the terms of payment and maturity date of the Note, the date to which interest has been paid, whether any offsets or defenses exist against the Secured Indebtedness and, if any are alleged to exist, the nature thereof shall be set forth in detail and such other statements requested by Mortgagee.

2.19 Lease Securities. All lease securities of tenants of the Mortgaged Property shall be treated as trust funds not to be commingled with any other funds of Mortgagor, to the extent required by applicable law. Within ten (10) days after request by Mortgagee, Mortgagor shall furnish to Mortgagee satisfactory evidence of compliance with this paragraph 2.19, together with a statement of all lease securities deposited by the tenants and copies of all leases not theretofore delivered to Mortgagee, certified by Mortgagor.

2.20 Sale; Transfer; Form of Business Association. Mortgagor covenants and agrees not to, without in each instance obtaining the prior written consent of Mortgagee, which consent may be given or withheld by Mortgagee in its sole and absolute subjective discretion, (i) sell, transfer, convey, alienate, assign or voluntarily or involuntarily permit or suffer the Mortgaged Property, or any part thereof or any interest therein (whether legal or equitable), to be sold, transferred, assigned, alienated, or conveyed (except in the event of a complete repayment of the Secured Indebtedness in conjunction with such sale, in accordance with the terms of the Note and Mortgage), (ii) change or alter the composition, form of business association or ownership of Mortgagor or any Guarantor which is not a natural person, or (iii) cause or voluntarily or involuntarily permit the sale, trade, transfer, assignment, exchange, pledge, granting of a security interest in or hypothecation of any interest in Mortgagor or any Guarantor which is not a natural person or the right to receive distributions or profits from Mortgagor, any Guarantor which is not a natural person, or the Mortgaged Property (any of the events described in the preceding clauses (i), (ii) or (iii) being referred to herein as a "Transfer"). If Mortgagee consents to one Transfer, such consent shall not imply consent by Mortgagee to any other or subsequent Transfer, and the provisions hereof shall apply to each and every Transfer regardless of whether or not Mortgagee has consented to or waived its rights hereunder in connection with any previous Transfer. Without implying consent by Mortgagee to any Transfer, Mortgagor specifically covenants and agrees that as a condition to consenting to any one Transfer, Mortgagee may

require (i) that Mortgagor or grantee pay to Mortgagee a transfer fee in a reasonable amount to compensate Mortgagee for expenses incurred in revising its records to reflect the transferee or grantee as the new owner of the Mortgaged Property, (ii) that Mortgagor or grantee pay all of Mortgagee's legal fees and expenses, recording fees, abstracting and title insurance expenses and other costs related to the approval and documentation of said Transfer, and (iii) a modification of the Note, this Mortgage and the other Loan Documents, including, but not limited to, an increase in the rate of interest called for in the Note, a change in the maturity date of the Note, a change in the method of repayment of the Note, and/or a buy-down fee in lieu thereof or in combination therewith. In the event any Transfer occurs without the prior consent of Mortgagee, the same will, at Mortgagee's election, subject to notice and right to cure provided under the Note, constitute an Event of Default hereunder and Mortgagee will have the option to declare the indebtedness evidenced by the Note to be immediately due and payable and to exercise any or all of Mortgagee's rights and remedies herein provided; and the remedies provided in this Mortgage may be exercised by Mortgagee at any time after such Transfer without Mortgagee's prior approval, and the acceptance of one or more installments made by the new owner of the Mortgaged Property shall not constitute a waiver of Mortgagee's rights and remedies under this Mortgage. Notwithstanding any language in this paragraph seemingly to the contrary:

(i) Mortgagor shall have the right to replace obsolete Collateral at any time so long as the replacement property has a value equal to or greater than the Collateral replaced and no damage or waste would result to the Mortgaged Property as a result of such replacement and the replacement Collateral is fully paid for and lien free, except for the security interests granted in this Mortgage;

(ii) Mortgagee will permit the conveyance or transfer of Mortgagor's entire (but not part) interest in the Mortgaged Property on a one (1) time only basis, in order to facilitate an assumption of the loan without change in the terms of the loan, *provided that* (a) Mortgagee approves, in its sole subjective discretion, the transferee, (b) Mortgagor or the transferee pays a transfer fee equal to one percent (1%) of the unpaid principal balance of the Note, (c) Mortgagor or the transferee pays all costs incurred by Mortgagee in connection with the Transfer, including, without limitation, reasonable legal and title insurance costs, (d) the transferee assumes all of Mortgagor's obligations under the Note, this Mortgage and the other Loan Documents, (e) the Transfer and the transferee's assumption of all of Mortgagor's obligations under the Note, this Mortgage and the other Loan Documents is documented in a manner satisfactory to Mortgagee, in its sole discretion, (f) documentation evidencing the creation, existence, good standing and authority of the transferee is delivered to Mortgagee in form, scope and substance satisfactory to Mortgagee, in its sole discretion, (g) no Event of Default exists, (h) the ratio requirements described below have been satisfied, in Mortgagee's sole determination, and (i) all other reasonable requirements of Mortgagee in connection with such proposed Transfer not inconsistent with the foregoing are satisfied by Mortgagor and the transferee.

Prior to the Original Maturity Date (as defined in the Note), if Mortgagee, in its sole discretion, determines that the proposed transfer would result in a reassessment of value of the Mortgaged Property and such reassessment thereby increases the ad valorem tax liability associated with ownership of the Mortgaged Property, Mortgagee, as a condition of granting its consent to the proposed transfer, shall require that the operations of the Mortgaged Property yield a minimum Variable Rate Debt Coverage Ratio (defined below) of 1.25 to 1 and a minimum Fixed Rate Debt Coverage Ratio (defined below) of 1.25 to 1 and support a maximum Loan to Value ratio (defined below) of 75%. All required determinations shall be made in Mortgagee's sole discretion and shall utilize Mortgagee's assumptions regarding future projected ad valorem tax liability expenses. If Mortgagee determines that the required ratios described above are not met, as a condition to granting its consent to the proposed transfer, Mortgagee shall require that the outstanding principal balance of the Loan be reduced by an amount which is sufficient to cause such ratios to be met.

After the Renewal Date (as defined in the Note), if Mortgagee determines that the proposed transfer would result in a reassessment of value of the Mortgaged Property and such reassessment thereby increases the ad valorem tax liability associated with ownership of the Mortgaged Property, Mortgagee, as condition of granting its consent to the proposed transfer, shall require that the operations of the Mortgaged Property yield a minimum Fixed Rate Debt Coverage Ratio (defined below) of 1.30 to 1 and support a maximum Loan to Value Ratio (defined below) of 70%. All required determinations shall be made in Mortgagee's sole discretion and shall utilize Mortgagee's assumptions regarding future projected ad valorem tax expenses. If Mortgagee determines that the required ratios described above are not met, as a condition of granting its consent to the proposed transfer, Mortgagee shall require that the outstanding principal balance of the Loan be reduced by an amount which is sufficient to cause such ratios to be met.

As used above, Variable Rate Debt Coverage Ratio shall mean the result determined by dividing (i) the Net Operating Income as defined in Section 8 of the Note (including consideration of the effect of any projected increase in ad valorem tax expense) by (ii) a monthly payment of principal and interest utilizing the then Remaining Amortization Term, the outstanding unpaid principal balance and an interest rate equal to 7.50% per annum, times 12.

As used above, Fixed Rate Debt Coverage Ratio shall mean the result determined by dividing (i) the Net Operating Income as defined in Section 8 of the Note (including consideration of the effect of any projected increase in ad valorem tax expense) by (ii) a monthly payment of principal and interest utilizing the then Remaining Amortization Term, the outstanding unpaid principal balance and an interest rate equal to the greatest of (a) the then current interest rate, (b) 300 basis points in excess of the then current five (5) year "on-the-run" Treasury Rate or (c) 7.50%, times 12.

As used in the preceding paragraphs, Loan to Value Ratio shall mean the result determined by dividing (i) the then current principal balance of the Loan by (ii) the then current estimated value of the Mortgaged Property as determined by Mortgagee in its sole discretion including consideration of the effect of any projected increase in ad valorem tax expense.

2.21 Encumbrances. Mortgagor covenants and agrees that it shall not, without in each instance obtaining the prior written consent of Mortgagee, which consent may be given or withheld by Mortgagee in its sole and absolute discretion, (i) mortgage, pledge, grant a security interest or otherwise encumber the Mortgaged Property or any part thereof, or (ii) voluntarily or involuntarily permit or suffer the Mortgaged Property, or any part thereof, to be mortgaged, pledged or encumbered (any of the events described in the preceding clauses (i) or (ii) being referred to herein as an "Encumbrance"). Mortgagor and its successors and assigns specifically covenant and agree that as a condition to consenting to any one Encumbrance, Mortgagee will require that Mortgagor pay to Mortgagee a service fee in a reasonable amount, and Mortgagee may require a modification in the Note, this Mortgage and other Loan Documents, including, but not limited to, an increase in the rate of interest called for in the Note, a change in the maturity date of the Note, a change in the method of repayment of the Note, and/or a buy-down fee in lieu thereof or in combination therewith. In the event any Encumbrance is created or occurs without the prior written consent of Mortgagee, the same will, at Mortgagee's election, constitute an Event of Default hereunder, subject to the terms of the Note, and Mortgagee will have the option to declare the Secured Indebtedness to be immediately due and payable, and to exercise any or all of Mortgagee's rights and remedies herein provided; and this provision shall apply to each and every Encumbrance regardless of whether or not Mortgagee has consented to or waived its rights hereunder in connection with any previous Encumbrance, whether one or more.

2.22 Environmental Protection Obligation.

2.22 Definitions. As used in this paragraph 2.22, the following terms have the meanings set forth below:

(a) "Mortgagee" means Mortgagee under this Mortgage and any successor-in-interest of such Mortgagee.

(b) "Environmental Order" means an order of any federal, state or local governmental agency relating to the cleanup, remediation or other response action required by applicable law.

(c) "Hazardous Substances" means the following:

(i) Those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," or "solid waste" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601

et seq.), as amended by the Superfund Amendments and Reauthorization Act of 1986 (Pub. L. 99-499, 100 Stat. 1613), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 et seq.), and the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.), and in the regulations promulgated pursuant to said laws, all as amended.

(ii) Those substances listed in the United States Department of Transportation Table (49 CFR Part 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto).

(iii) Any material, waste or substance which is (A) petroleum, including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, synthetic gas usable for fuel, or any mixture thereof, (B) asbestos, (C) polychlorinated biphenyls, (D) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. § 1251 et seq.) (33 U.S.C. § 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. § 1317), (E) a chemical substance or mixture regulated under the Toxic Substances Control Act of 1976 (15 U.S.C. § 2601 et seq.), (F) flammable explosives, or (G) radioactive materials.

(iv) Such other substances, materials and wastes which are or become regulated as hazardous or toxic under applicable local, state or federal law, or which are classified as hazardous or toxic under federal, state, or local laws or regulations.

(d) "Indemnified Costs" means all actual or threatened liabilities, claims, actions, causes of action, judgments, orders, damages (including foreseeable and unforeseeable consequential damages), costs, expenses, fines, penalties and losses (including sums paid in settlement of claims and all consultant, expert and legal fees and expenses of Mortgagee's counsel), including without limitation (i) those incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work (whether of the Real Property or any other property), or any resulting damages, harm or injuries to the person or property of any third parties or to any natural resources and (ii) those attributable to the negligence (but not the gross negligence or willful misconduct) of any Indemnified Party, relating to, caused by or arising from the presence of any Hazardous Substances at, in, on, around or potentially affecting the Mortgaged Property at any time prior to the Transfer Date or any Release of a Hazardous Substance prior to the Transfer Date or any violation prior to the Transfer Date of any Environmental Order

or any violation prior to the Transfer Date of any law, code, rule or regulation referenced in paragraph 2.22.1(c) of this Mortgage.

(e) "Indemnified Parties" means and includes Mortgagee, its subsidiary and affiliated companies, assignees of all or part of Mortgagee's interest in the Loan or the Loan Documents, owners of participation interests in the Loan or the Loan Documents, any purchasers who acquire all or part of the Mortgaged Property from Mortgagee or any of its subsidiaries or affiliates, any purchasers of all or part of the Mortgaged Property at any foreclosure sale, any recipient of a deed or assignment in lieu of foreclosure of all or part of the Real Property, and the officers, directors, shareholders, employees and agents of each of them.

(f) "Loan" means the extension of credit from Mortgagee to Mortgagor which is evidenced by the Note and any renewals, amendments or modifications thereof.

(g) "Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment prior to the Transfer Date, including continuing migration, of Hazardous Substances into or through soil, surface water or groundwater. The term does not include actions directly relating to the incorporation in a lawful manner of building materials into a permanent improvement to the Real Property.

(h) "Transfer Date" means the date on which Mortgagee or any third party unrelated to Mortgagor or any Guarantor acquires title to the Mortgaged Property pursuant to Mortgagee's exercise of its remedies under this Mortgage.

2.22.2 Environmental Condition of the Mortgaged Property. Mortgagor hereby represents and warrants to the Indemnified Parties that neither Mortgagor, nor any agent, representative, employee, affiliate, tenant, principal, partner or joint venturer of Mortgagor, has actual knowledge or notice of the actual, alleged or threatened presence or Release of Hazardous Substances (except for Hazardous Substances used and stored in a manner that is reasonably safe, commercially reasonable and in compliance with all applicable laws) at, in, on, around or potentially affecting any part of the Mortgaged Property or the soil, groundwater or soil vapor on or under the Mortgaged Property, except as has been disclosed to Mortgagee prior to the date hereof in writing by an environmental site assessment relating to the Mortgaged Property addressed to Mortgagee or by a document or correspondence which specifically references this Mortgage.

2.22.3 Compliance Regarding Hazardous Substances. To the best of Mortgagor's actual knowledge, Mortgagor has complied, and shall comply and use

its best efforts to cause all occupants of the Mortgaged Property to comply, with all laws, regulations and ordinances governing or applicable to Hazardous Substances, including those requiring disclosures to prospective and actual buyers of all or any portion of the Mortgaged Property. Mortgagor also has complied and shall comply with the recommendations of any qualified environmental engineer or other expert which apply or pertain to the Mortgaged Property. If Mortgagor at any time conducts any repair, remodeling or other work within the Mortgaged Property that will or may affect or disturb any Hazardous Substances which may exist within the Mortgaged Property, including, without limitation, asbestos containing materials, Mortgagor will perform such work in accordance with an environmental operations and maintenance plan prepared by a qualified environmental engineer or other qualified expert which establishes policies and procedures to ensure that such work is performed in accordance with all laws, regulations, ordinances, disclosure requirements and standards governing or applicable to Hazardous Substances.

2.22.4 Notices Regarding Hazardous Substances. Mortgagor shall promptly notify Mortgagee in writing if it knows, suspects or believes there may be any Hazardous Substance (except for Hazardous Substances used and stored in a manner that is reasonably safe, commercially reasonable and in compliance with all applicable laws) at, in, on, around or potentially affecting the Mortgaged Property or the soil, groundwater or soil vapor on or under the Mortgaged Property, or that Mortgagor or the Mortgaged Property may be subject to any threatened or pending investigation by any governmental agency under any law, regulation or ordinance pertaining to any Hazardous Substance. Mortgagor shall promptly deliver to Mortgagee a copy of any notice, inquiry or other communication Mortgagor may send to or receive from any governmental agency or other person or entity alleging or concerning the presence, existence, Release or threatened Release of any Hazardous Substance at, in, on, around or potentially affecting the Mortgaged Property or the soil, groundwater or soil vapor on or under the Mortgaged Property, or pertaining to any claim or demand related thereto. Mortgagor shall also promptly notify Mortgagee if Mortgagor discovers any occurrence or condition at, in, on, around or potentially affecting any real property in the vicinity of the Mortgaged Property or the soil, groundwater or soil vapor on or under such property in the vicinity of the Mortgaged Property that could cause the Mortgaged Property or any part thereof to be subject to any restrictions on ownership, occupancy, transferability or use, or that could subject the owner of the Mortgaged Property or any other person or entity having an interest therein to any liability or penalty.

2.22.5 No Limitation of Indemnity. Mortgagor's obligations under this paragraph 2.22 shall not be diminished or affected in any respect as a result of any notice, disclosure or knowledge, if any, to or by any of the Indemnified Parties of the Release, presence, existence or threatened Release of Hazardous Substances at, in, on, around or potentially affecting the Mortgaged Property or the soil, groundwater or soil vapor on or under the Mortgaged Property, or of any matter covered by Mortgagor's obligations hereunder. No Indemnified Party shall be

deemed to have permitted, caused, contributed to or acquiesced in any such Release, presence, existence or threatened Release of Hazardous Substances or any other matter covered by Mortgagor's obligations hereunder solely because Mortgagee or any other Indemnified Party had notice or knowledge thereof, or because Mortgagee or any other Indemnified Party exercised or failed to exercise any right contained in the Loan Documents, whether at the time this Mortgage is delivered or at any other time.

2.22.6 Site Visits, Observations and Testing. The Indemnified Parties and their agents and representatives, either (a) upon reasonable belief of the existence of a past or present Release or threatened Release of any Hazardous Substance into, onto, beneath or from the Mortgaged Property that was not previously disclosed in writing to Mortgagee in connection with the making, renewal, modification or assumption of the Loan, or (b) after the commencement of judicial or nonjudicial foreclosure proceedings against the Mortgaged Property, shall have the right to enter and visit the Mortgaged Property for the purposes of observing the Mortgaged Property, taking and removing soil or groundwater samples, and conducting tests on any part of the Mortgaged Property. The Indemnified Parties have no duty, however, to visit or observe the Mortgaged Property or to conduct tests, and no site visit, observation or testing by any Indemnified Party shall impose any liability on any Indemnified Party. In no event shall any site visit, observation or testing (whether past, present or future) by any Indemnified Party be a representation that Hazardous Substances are or are not present in, on, under or around the Mortgaged Property, or that there has been or shall be compliance with any law, regulation or ordinance pertaining to Hazardous Substances or any other applicable governmental law. Neither Mortgagor nor any other party is entitled to rely on any site visit, observation or testing (whether past, present or future) by any Indemnified Party. The Indemnified Parties owe no duty of care to protect Mortgagor or any other party against, or to inform Mortgagor or any other party of, any Hazardous Substances or any other adverse condition affecting the Mortgaged Property. The Indemnified Parties shall not be obligated to disclose to Mortgagor or any other party any report or findings made as a result of, or in connection with, any site visit, observation or testing by any Indemnified Party. Any Indemnified Party shall give Mortgagor reasonable notice before entering the Mortgaged Property, except in emergency cases, cases in which Mortgagor or its tenants have abandoned the Mortgaged Property, or cases in which it is impracticable to give such notice. Forty-eight (48) hours' notice shall be presumed to be reasonable notice. The Indemnified Parties shall make reasonable efforts to avoid interfering with Mortgagor's use of the Mortgaged Property in exercising any rights provided in this paragraph 2.22, and shall reimburse Mortgagor for the cost of repair of any physical injury to the Mortgaged Property caused solely by the exercise of such rights.

2.22.7 Defense of Indemnified Parties. Upon demand by any Indemnified Party, Mortgagor shall pay all Indemnified Costs and defend any investigation, action or proceeding involving any matter covered or potentially

covered by Mortgagor's obligations under the Hazardous Substances Indemnification Agreement of even date herewith, executed by Mortgagor in favor of Mortgagee ("the "Indemnification Agreement") brought or commenced against any Indemnified Party, whether alone or together with Mortgagor or any other person, all at Mortgagor's own cost and by counsel to be approved by the Indemnified Party in the exercise of its reasonable judgment. In the alternative, any Indemnified Party may elect, at any time that it determines in good faith that its interests are not or will not be adequately protected in connection with any such investigation, action or proceeding, to conduct its own defense at the expense of Mortgagor. Mortgagor may not, without Mortgagee's prior written consent, settle or compromise any such investigation, action or proceeding unless (a) either (i) the Loan shall have been completely satisfied or (ii) such settlement or compromise will not adversely affect the Mortgaged Property and (b) such settlement or compromise either (i) will not adversely affect the interests of any Indemnified Party or (ii) includes a written release of each Indemnified Party, in form, scope and substance satisfactory to such Indemnified Party, from all liability under such investigation, action or proceeding.

2.22.8 Compliance with Indemnification Agreement. Mortgagor shall comply with the terms and provisions of the Indemnification Agreement. To the extent of any conflict between the Indemnification Agreement and this Mortgage, the terms of the Indemnification Agreement shall govern.

2.23 Indemnity. MORTGAGOR WILL INDEMNIFY AND HOLD MORTGAGEE HARMLESS AGAINST ANY LOSS OR LIABILITY, COST, OR EXPENSE, INCLUDING, WITHOUT LIMITATION, ANY JUDGMENTS, ATTORNEYS' FEES, COSTS OF APPEAL BONDS AND PRINTING COSTS, ARISING OUT OF OR RELATING TO ANY PROCEEDING INSTITUTED BY ANY PERSON CLAIMING A STATUTORY OR EQUITABLE LIEN OF ANY KIND AGAINST THE MORTGAGED PROPERTY OR ANY PART THEREOF. MORTGAGOR WILL INDEMNIFY, DEFEND AND HOLD MORTGAGEE HARMLESS AGAINST ANY BROKERAGE COMMISSIONS OR FINDER'S FEES CLAIMED BY ANY BROKER OR OTHER PARTY CLAIMING THROUGH MORTGAGOR IN CONNECTION WITH THE LOAN EVIDENCED BY THE NOTE OR THE MORTGAGED PROPERTY OR ANY OF THE TRANSACTIONS CONTEMPLATED IN THE LOAN DOCUMENTS. MORTGAGOR AND MORTGAGEE AGREE THAT THE INDEMNITY CONTAINED HEREIN AND THE INDEMNITY OBLIGATION OF MORTGAGOR TO MORTGAGEE SHALL NOT APPLY TO REMEDIATION, HAZARDOUS SUBSTANCES OR THE RELEASE THEREOF CAUSED BY MORTGAGEE, ITS AGENTS, EMPLOYEES, RECEIVERS, SUCCESSORS AND ASSIGNS, AFTER MORTGAGEE OBTAINS PHYSICAL POSSESSION OF THE MORTGAGED PROPERTY, WHETHER OR NOT IN CONJUNCTION WITH A FORECLOSURE OR RELATED PROCEEDING.

2.24 Further Assurances. Mortgagor shall do, execute, acknowledge and deliver, at the sole cost and expense of Mortgagor, all and every such further acts, deeds, conveyances, mortgages, assignments, estoppel certificates, notices of assignment, transfers

and assurances as Mortgagee may reasonably require from time to time in order to better assure, convey, assign, transfer and confirm unto Mortgagee, the rights now or hereafter intended to be granted to Mortgagee under this Mortgage, any other instrument executed in connection with this Mortgage, or any other instrument under which Mortgagor may be or may hereafter become bound to convey, mortgage or assign to Mortgagee for carrying out the intention of facilitating the performance of the terms of this Mortgage provided Mortgagor shall not incur any additional liabilities, duties, or obligations in connection therewith except as provided in this Mortgage and the Loan Documents. Mortgagor hereby appoints Mortgagee its attorney-in-fact to execute, acknowledge and deliver for and in the name of Mortgagor any and all of the instruments mentioned in this paragraph 2.24 and this power, being coupled with an interest, shall be irrevocable as long as any part of the Secured Indebtedness remains unpaid, provided that such power shall not be exercised until after an Event of Default remains uncured after any required notice to Mortgagor.

2.25 Exploration and Development of Oil, Gas and Other Minerals. Mortgagor acknowledges that any exploration or drilling for oil, gas, coal, metallic ores or other minerals in, on, about, or through the Mortgaged Property would waste and impair the value of the Mortgaged Property as security for the payment of the Secured Indebtedness, and Mortgagor covenants and agrees that it will not at any time explore or drill for any oil, gas, coal, metallic ores or other minerals or any geothermal substances, or consent, permit, authorize or otherwise agree to any exploration or drilling of any oil, gas, coal metallic ores or other minerals or any geothermal substances in, on, or through the Mortgaged Property, without first obtaining from Mortgagee written permission, which permission may be withheld or granted on such terms as Mortgagee, in its sole subjective discretion, deems appropriate and shall not be valid until recorded. If Mortgagor or any other mineral owner, mineral lessee or other third person explores or drills or undertakes to explore or drill for any oil, gas, coal metallic ores or other minerals or any geothermal substances in, on, under or through the Mortgaged Property which exploration or drilling would, in the reasonable judgment of Mortgagee, waste or impair the value of the Mortgaged Property as security for the payment of the Secured Indebtedness, then such activity shall constitute and be construed as an Event of Default hereunder. Regardless of whether any exploration or drilling for oil, gas, coal, metallic ores or other minerals or any geothermal substances constitutes an Event of Default, Mortgagor further covenants and agrees to pay over unto Mortgagee any and all monies, proceeds, awards or judgments received by Mortgagor representing damages or payment in lieu thereof occasioned by such exploration or drilling, which monies, proceeds, awards or judgments when received by Mortgagee shall be applied towards the Secured Indebtedness in inverse order of maturity.

2.26 Adequate Protection. Mortgagor acknowledges that Mortgagee is accepting this Mortgage and the Note secured hereby based upon the appraised value of the Mortgaged Property. In the event Mortgagor files any voluntary petition in the United States Bankruptcy Court for liquidation, reorganization or wage earner's plan, or in the event an involuntary petition is filed against Mortgagor in the United States Bankruptcy Court, then, in any such event, Mortgagor expressly covenants and agrees with Mortgagee that the only method by which Mortgagee will be deemed adequately protected, as such term as defined

in the United States Bankruptcy Code, is monthly payments of principal and interest in the amounts and upon the dates as is provided for in the Note.

2.27 Compliance with Applicable Laws. To the best of Mortgagor's actual knowledge, Mortgagor represents and warrants that (a) the improvements on the Mortgaged Property are structurally sound, (b) the operation of the Mortgaged Property complies with all applicable zoning, environmental protection or control codes and all fire, electrical and building codes, rules and regulations; and (c) there is no license, approval or permit, necessary for either the lawful operation of the Mortgaged Property or the lawful occupancy thereof, including, without limitation, utility, building, zoning, subdivision control, land and water use, environmental protection and flood hazard permits, which has not been obtained. Further, Mortgagor warrants, covenants and agrees that (a) Mortgagor shall keep the improvements on the Mortgaged Property structurally sound and in good repair throughout the term of the Note, subject to the disbursement of insurance proceeds for repair and rebuilding in the event of casualty; (b) the operation of the Mortgaged Property shall comply with all applicable zoning, environmental protection or control codes and all fire, electrical and building codes, rules and regulations throughout the term of the Note; and (c) Mortgagor shall at all times throughout the term of the Note hold all licenses, approvals and permits, necessary for either the lawful operation of the Mortgaged Property or the lawful occupancy thereof, including, without limitation, all utility, building, zoning, subdivision control, land and water use, environmental protection and flood hazard permits which are in any way required for lawful operation of the Mortgaged Property or the lawful occupancy thereof.

2.28 Unrelated Asset Acquisition. Mortgagor shall not without the prior written consent of Mortgagee, which consent may be given or withheld by Mortgagee in its sole and absolute discretion, acquire title to any personal property or real property other than (i) the Mortgaged Property, (ii) cash, accounts and securities, and (iii) personal property used in connection with the ownership, operation or use of the Mortgaged Property (such acquisition being referred to as an "Unrelated Asset Acquisition"). If an Unrelated Asset Acquisition occurs without the prior written consent of Mortgagee, the same will, at Mortgagee's election, constitute an Event of Default hereunder, and Mortgagee will have the option to declare the Secured Indebtedness to be immediately due and payable, and to exercise any or all of Mortgagee's rights and remedies herein provided; and this provision shall apply to each and every Unrelated Asset Acquisition regardless of whether or not Mortgagee has consented to or waived its rights hereunder in connection with any previous Unrelated Asset Acquisition, whether one or more.

2.29 Continuous Operation. Throughout the term of the loan evidenced by the Note, Mortgagor will continually use and operate the Mortgaged Property as a mini storage facility in compliance with all applicable federal, state, county and local laws, codes, ordinances, rules, regulations and other requirements.

2.30 Business Purpose Loan. The Mortgagor represents that the proceeds of the loan secured by this Mortgage have been and will be used for the purposes specified in 815 ILCS §205/4(C) of the Illinois Compiled Statutes or any successor statute, and that

the principal obligations secured hereby constitutes a business loan which comes within the purview of said statute.

3. **SECURITY AGREEMENT**. This Mortgage (a) shall be construed as a mortgage of real property, and (b) shall also constitute and serve as a "security agreement" on personal property within the meaning of, and shall constitute until the grant of this Mortgage shall terminate as provided herein, a first and prior security interest under, the Uniform Commercial Code of the state in which the Real Property is located with respect to all of the Collateral referred to herein and encumbered by this Mortgage. To this end, Mortgagor has GRANTED, BARGAINED, CONVEYED, ASSIGNED, TRANSFERRED and SET OVER, and by these presents does GRANT, BARGAIN, CONVEY, ASSIGN, TRANSFER and SET OVER, unto Mortgagee, a first and prior security interest in all of Mortgagor's estate, right, title and interest in, to, under and with respect to all of the Collateral to secure the full and timely payment of the Secured Indebtedness and the full and timely performance and discharge of all other obligations secured hereby.

3.1 Financing Statements. Mortgagor hereby agrees with Mortgagee to execute and deliver to Mortgagee, in form and substance satisfactory to Mortgagee, such "Financing Statements" and such further assurances as Mortgagee may from time to time reasonably consider necessary to create, perfect and preserve Mortgagee's security interest herein granted, and Mortgagee may cause such statements and assurances to be recorded and filed at such times and places as may be required or permitted by law to so create, perfect and preserve such security interest. Further, Mortgagor hereby appoints Mortgagee as its attorney-in-fact in connection with the personal property and fixtures covered by this Mortgage, which permitted by law, to file on its behalf any financing statements or other statements in connection therewith with the appropriate public office signed only by Mortgagee, as secured party. This power, being coupled with an interest, shall be irrevocable so long as any part of the Secured Indebtedness remains unpaid.

3.2 Uniform Commercial Code Remedies. Mortgagee shall have all the rights, remedies and recourses with respect to the property subject to the security interest granted herein afforded to it by the Uniform Commercial Code of the state in which the Real Property is located, in addition to, and not in limitation of, the other rights, remedies and recourses afforded by this Mortgage and the other Loan Documents.

3.3 No Obligation of Mortgagee. The assignment and security interest herein granted shall not be deemed or construed to constitute Mortgagee as "mortgagee in possession" of the Mortgaged Property, to obligate Mortgagee to lease the Mortgaged Property or attempt to do same, or take any action, incur any expense or perform or discharge any obligation, duty or liability whatsoever.

3.4 Fixture Filing. This Mortgage shall constitute a "fixture filing" for the purposes of the Uniform Commercial Code of the state in which the Real Property is located. It is intended to be a financing statement within the purview of Section 5/9-402 of the Illinois Uniform Commercial Code, 810 ILCS §5/1-101 et seq. with respect to those items of equipment, goods or inventory which are fixtures on the Mortgaged Property. Information

concerning the security interest herein granted may be obtained at the addresses set forth on page 1 of this Mortgage. For purposes of the security interest herein granted, the address of Debtor (Mortgagor) and the address of Secured Party (Mortgagee) are set forth on page 1 of this Mortgage. This Mortgage is to be filed for record with the Recorder of Deeds in the county where the Mortgaged Property is located. Mortgagor is the record owner of the Mortgaged Property.

3.5 Foreclosure of Security Interest. In addition to all other remedies described or referenced in this Mortgage, to the maximum extent permitted by applicable law, Mortgagee, at its sole subjective discretion, may have all or any part of the Collateral combined with the Real Property and Improvements covered hereby and sold together with such Real Property and Improvements as an entirety at any foreclosure sale, or Mortgagee, at its option, may proceed solely or separately against the Collateral or any part thereof and have the same sold separately as provided by the Uniform Commercial Code of the state in which the Real Property is located, either in one parcel or in such parcels, manner or order as Mortgagee, in its sole subjective discretion, may elect; Mortgagee shall have the right to take immediate and exclusive possession of the Collateral or any part thereof and for that purpose may, with or without judicial process, enter upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom; Mortgagee shall be entitled to hold, maintain, preserve and prepare the Collateral for sale until disposed of, or may propose to retain the Collateral subject to Mortgagor's right of redemption in partial or total satisfaction of Mortgagor's obligations as provided in the Uniform Commercial Code of the state in which the Real Property is located; Mortgagee without removal may render the Collateral unusable and dispose of the Collateral on Mortgagor's premises; Mortgagee may require Mortgagor to assemble the Collateral and make it available to Mortgagee for its possession at a place to be designated by Mortgagee which is reasonably convenient to both parties; unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Mortgagee shall give Mortgagor at least ten (10) days' notice of the time and place of any public sale of any Collateral or of the time after which any private sale or other intended dispositions thereof is to be made, by United States registered or certified mail, postage prepaid, addressed to Mortgagor at the address provided in this Mortgage, which provisions for notice Mortgagor and Mortgagee agree are reasonable; Mortgagee may buy all or part of the Collateral at any public sale, and if the Collateral is of a type which is subject to widely distributed standard price quotations, Mortgagee may buy at private sale; and further, Mortgagee shall have all of the rights and remedies of a secured party under the Uniform Commercial Code of the state in which the Real Property is located. Mortgagee shall be entitled to exercise any and all other rights and remedies available by applicable laws and judicial decisions.

3.6 Compliance with Separate Security Agreement. Mortgagor shall comply with the terms and provisions of the Security Agreement (the "Security Agreement") dated of even date herewith, given by Mortgagor to Mortgagee, which Security Agreement also covers, without limitation, all of the Collateral. The Security Agreement shall survive enforcement of this Mortgage, and to the extent of any conflict between the Security Agreement and this Mortgage, the terms of the Security Agreement shall govern.

4. **ASSIGNMENT OF LEASES, RENTS AND PROFITS.** Mortgagor hereby absolutely and unconditionally assigns to Mortgagee, subject to the license granted hereunder and in the Assignment of Leases, Rents and Profits, as further security for the payment of the Secured Indebtedness, the rents, issues and profits of the Mortgaged Property, together with all leases and other documents evidencing such rents, issues and profits now or hereafter in effect and any and all deposits held as security under said leases, and shall, upon demand, deliver to Mortgagee a true copy of each such lease or other document. Such assignment and grant shall continue in effect until the Secured Indebtedness is paid, the execution of this Mortgage constituting and evidencing the irrevocable consent of Mortgagor to the entry upon and taking possession of the Mortgaged Property by Mortgagee pursuant to such grant, whether foreclosure has been instituted or not and without applying for a receiver. Subject to the applicable law, this assignment of leases, rents and profits is, and is intended to be, an absolute assignment from Mortgagor to Mortgagee and not merely the passing of a security interest; provided, however, if a court of competent jurisdiction ever determines that this is not an absolute assignment of leases, rents and profits, then the assignment of leases, rents and profits contained in this paragraph 4 shall constitute, and shall be construed as, an assignment of leases, rents and profits as a security interest given to secure the Secured Indebtedness.

4.1 Collection of Rents. Until the occurrence of an Event of Default and the continuance of such Event of Default after such notice of the Event of Default and such opportunity to cure the Event of Default as may be required by the Note, Mortgagor shall collect the rents, issues and profits from the Mortgaged Property. In the collection of such issues, rents and profits, Mortgagor shall hold the same as trust funds to be applied: first, to the payment of taxes and assessments against the Mortgaged Property; second, to the cost of insurance, maintenance and repairs required by the terms of this Mortgage; third, to the payment of the Secured Indebtedness as it becomes due, provided that all of the Secured Indebtedness shall become due on acceleration of the maturity of the Note; fourth, to the payment of reasonable costs in operating and managing the Mortgaged Property; and fifth, to the payment of surplus, if any, to whomsoever may be lawfully entitled to receive the same. Upon receipt by Mortgagor from Mortgagee of notice of the occurrence of an Event of Default and that all rents, issues and profits shall be paid directly to Mortgagee, Mortgagee, at its option and upon such notice as is required by the Note, shall have the immediate and continuing right to directly collect all rents, issues and profits then due and thereafter accruing with respect to the Mortgaged Property, and Mortgagee shall have the right and authority, at its option, to enter upon the Mortgaged Property either by Mortgagee's agents or employees, or by a receiver appointed by a court, who may be appointed subject to applicable law, and whether or not it enters upon or takes possession of the Mortgaged Property, to demand, collect, receive, sue for and recover, by its officers, agents, employees or the receiver, in the name of Mortgagor, or in its own name as assignee, directly from all tenants of the Mortgaged Property the rents, issues and profits thereof, whether accruing or past due, including, without limitation, all rents thereafter accruing and becoming payable. Mortgagor hereby consents to the appointment of a receiver or receivers. Mortgagor also authorizes Mortgagee upon such entry, at its option, to take over and assume the management, operation and maintenance of the Mortgaged Property, and in general to perform all actions necessary in connection therewith in the same manner and to the same extent as Mortgagor might so act. Upon electing to exercise the rights herein granted,

Mortgagee may make reasonable effort to collect the rents, reserving, however, within its own discretion, the right to determine the method of collection and the extent to which enforcement of collection of delinquent rents shall be prosecuted, but it shall not be accountable for more money than it actually receives from the Mortgaged Property, and shall not be liable for failure to collect rents. Mortgagor will execute any further instruments necessary or required by Mortgagee to evidence or to perfect the transfer to Mortgagee of the leases, rents and profits of the Mortgaged Property without incurring additional liability, duty or obligation on the part of Mortgagor. Notwithstanding any language in this Mortgage seemingly to the contrary, neither the acceptance by Mortgagee of the assignment granted in this paragraph 4.1, nor the granting of any other right, power, privilege or authority in this Mortgage, nor the exercise of any of the aforesaid shall (a) prior to the actual taking of physical possession and operational control of the Mortgaged Property by Mortgagee be deemed to constitute Mortgagee as a "mortgagee in possession"; or (b) bind Mortgagee to the performance of any of the covenants, conditions or provisions contained in any such lease or other document or otherwise to impose any obligation on Mortgagee (including, without limitation, any liability under the covenant of quiet enjoyment contained in any lease or in any law of any applicable state in the event that any tenant shall have been joined as a party defendant in any action to foreclose this Mortgage and shall have been barred and foreclosed thereby of all right, title and interest and equity of redemption in the Mortgaged Property), or (c) at any time thereafter obligate Mortgagee (i) to appear in or defend any action or proceeding relating to the leases, the rents, issues or profits thereof so assigned or the remainder of the Mortgaged Property, (ii) to take any action hereunder, (iii) to expend any money or incur any expenses or perform or discharge any obligation, duty or liability with respect to any lease assigned hereunder, (iv) to assume any obligation or responsibility for any deposits which are not physically delivered to Mortgagee, or (v) for any injury or damage to person or property sustained in or about the Mortgaged Property.

4.2 Application of Rents by Mortgagee. All sums collected and received by Mortgagee out of the rents, issues and profits of such Mortgaged Property may be applied to the payment of the following, in such order and priority as Mortgagee may determine, in its sole subjective discretion:

(a) The reasonable costs of collection of such rents, issues and profits;

(b) The Secured Indebtedness, in such order and priority as Mortgagee may determine, in its sole subjective discretion;

(c) The reasonable costs of management of the Mortgaged Property;

(d) The repairs and upkeep of the Mortgaged Property deemed necessary by Mortgagee, including without limitation, the purchase of such additional furniture and equipment as Mortgagee in its sole subjective discretion may deem necessary for the maintenance of a proper rental value of the Mortgaged Property;

(e) All taxes, assessments, premiums for public liability insurance and insurance premiums payable by Mortgagor as provided in this Mortgage; and

(f) Any taxes imposed upon or collectible by Mortgagee under any federal or state law or any law or ordinance enacted by any political subdivision thereof or any supplements or amendments thereto, provided, however, that such tax shall be based upon the employment by Mortgagee of persons necessary to the operation of the Mortgaged Property.

4.3 No Credit. Notwithstanding the provisions of paragraph 4.2 hereof, no credit shall be given by Mortgagee for any sum or sums received from the rents, issues and profits of the Mortgaged Property until the money collected is actually received by Mortgagee at its principal office or at such other place as Mortgagee shall designate in writing, and no credit shall be given for any uncollected rents or other uncollected amounts or bills, nor shall credit be given for any rents, issues and profits derived from the Mortgaged Property after Mortgagee obtains possession of the Mortgaged Property under order of court or by operation of law unless directed by court order or otherwise required by applicable law.

4.4 Appointment of Agents. Subject to applicable law, Mortgagee may, after occurrence of an Event of Default and the continuance of such Event of Default after such notice of the Event of Default and such opportunity to cure the Event of Default as may be required by the Note, appoint and dismiss such agents or employees as shall be necessary for the collection of the rents, issues and profits, and for the proper care and operation of the Mortgaged Property, and Mortgagor hereby grants to such agents or employees so appointed full authority on Mortgagor's behalf to manage the Mortgaged Property and to do all acts relating to such management, including among others the making of new leases in the name of Mortgagor or otherwise, the alteration or amendment of existing leases, the authorization of repairs or replacements to maintain the building or buildings and chattels incidental thereto in good and tenantable condition and the making of such alterations or improvements as in the reasonable judgment of Mortgagee may be necessary to maintain or increase the income from the Mortgaged Property. Mortgagee shall have the sole control of such agents or employees whose remuneration shall be paid out of the rents, issues, and profits as hereinbefore provided, at the rate of reasonable compensation accepted in the community wherein the Mortgaged Property is situated unless otherwise specified, and Mortgagor hereby expressly releases Mortgagee from any liability to Mortgagor for the acts of such agents, and agrees that Mortgagee shall not be liable to Mortgagor for their neglect or for moneys that may come into the possession of such agents.

4.5 No Limitation of Rights. Mortgagor agrees that nothing in paragraph 4 of this Mortgage shall be construed to limit or restrict in any way the other rights and powers granted in the Note, this Mortgage and/or any of the other Loan Documents. The collection and application of the rents, issues and profits as above described shall not constitute waiver of any default which might at the time of application or thereafter exist under the Note, this Mortgage and/or any of the other Loan Documents, and the exercise by Mortgagee

of the rights herein provided shall not prevent Mortgagee's exercise of any rights provided under any of the other Loan Documents.

4.6 Mortgagor's Warranties. In addition to all other representations and warranties by Mortgagor in this Mortgage, Mortgagor hereby represents and warrants to Mortgagee that:

(a) Mortgagor is the sole owner of landlord's interest under the leases hereby assigned, is entitled to receive the rents, issues, profits and security deposits under the leases and from the Mortgaged Property, and has good right to sell, assign, transfer and set over the same and to grant to and confer upon Mortgagee the rights, interests, powers and authorities herein granted and conferred.

(b) Mortgagor has neither made nor permitted to be made any assignment other than that contained in this Mortgage of any of its rights under the leases to any person or entity.

(c) Mortgagor has not done any acts nor omitted to do any act which might prevent Mortgagee, or limit Mortgagee, in acting under any of the provisions of paragraph 4 of this Mortgage.

(d) Mortgagor has not accepted rent under any of the leases hereby assigned more than ninety (90) days in advance of the due date.

(e) There is no default by any of the lessees under the terms of any of the leases.

5. **DEFAULT AND REMEDIES.**

5.1 Events of Default. The following shall, at the option of Mortgagee, constitute Events of Default under this Mortgage: (a) default when and as the same shall become due and payable in payment of principal and interest on the Note whether by maturity or acceleration; or (b) default in the due observance or performance of any of the terms, covenants or conditions contained in the Note, this Mortgage or any of the other Loan Documents; or (c) any representation made in this Mortgage or any of the other Loan Documents proves to be untrue in any material respect; or (d) default under any obligation set forth in the Note other than for the payment of principal or interest; or (e) the further assignment or encumbrance by Mortgagor of the leases or rents of the Mortgaged Property or any part thereof without the prior written consent of Mortgagee; or (f) the lease by Mortgagor of all or part of the Mortgaged Property for purposes other than the actual occupancy by the lessee in violation of paragraph 2.17 hereof; or (g) except as otherwise permitted by paragraph 2.6(b) hereof, the failure of Mortgagor to pay or cause to be paid before any fine, penalty, interest or cost may be added thereto all franchise taxes and charges, and other governmental charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind and nature whatsoever, including, but not limited to,

assessments for public improvements or benefits that are assessed, levied, confirmed, imposed, or become a lien upon the Mortgaged Property or become payable during the term of the Note or this Mortgage, or Mortgagor enters into any agreement either written or oral, which has the effect of deferring the payment of any taxes or other charges that are or can be assessed, levied, confirmed, imposed or become a lien on the Mortgaged Property or become payable during the term of the Note or this Mortgage; or (h) the occurrence or existence of any default under paragraph 2.20 or paragraph 2.21 of this Mortgage; or (i) if a receiver, liquidator or trustee of Mortgagor or any Guarantor or of any of its properties, shall be appointed and is not withdrawn, dismissed, canceled or terminated within sixty (60) days; or (j) if a petition in bankruptcy, an insolvency proceeding, or a petition for reorganization shall have been filed against Mortgagor or any Guarantor and the same is not withdrawn, dismissed, canceled or terminated within sixty (60) days; or (k) if Mortgagor or any Guarantor is insolvent or is generally unable to pay his, her or its debts as they became due (without regard for any grace period provided for herein); or (l) if there is an attachment or sequestration of any of the property of Mortgagor or any Guarantor and same is not promptly discharged or bonded within sixty (60) days thereafter; or (m) if Mortgagor or any Guarantor files or consents to the filing of any petition in bankruptcy or commences or consents to the commencement of any proceeding under the Federal Bankruptcy Code or any other law, now or hereafter in effect, relating to the reorganization of Mortgagor or any Guarantor or the arrangement or readjustment of the debts of Mortgagor or any Guarantor or seeks reorganization, arrangement, adjustment, liquidation, dissolution, or composition of debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors; or (n) if Mortgagor or any Guarantor makes an assignment for the benefit of creditors or admits in writing the inability to pay his, her or its debts generally as they become due or shall consent to the appointment of a receiver, trustee or liquidator of Mortgagor or such Guarantor or of all or any part of his, her or its property; or (o) if default shall occur under, or any attempted withdrawal, cancellation or disclaimer of liability under, any guaranty which guarantees payment of the Secured Indebtedness or under any agreement giving security for said guaranty shall occur; or (p) if Mortgagor or any Guarantor shall cause or institute any proceeding for the dissolution or termination of Mortgagor or such Guarantor; or (q) if Mortgagor or any Guarantor ceases to do business or terminates its business as presently conducted for any reason whatsoever; or (r) [deleted]; or (s) if a default occurs under any mortgage or Mortgage which is subordinate to the lien of this mortgage and such default continues after such notice of the default and such opportunity to cure the default as may be required by the subordination mortgage or the Mortgagee or beneficiary, as the case may be, under any subordinate mortgage or mortgage, as the case may be, commences a foreclosure action in connection with said mortgage or mortgage, provided that this provision shall not be deemed to be a waiver of the provisions of paragraph 2.21 or any other provision in this Mortgage; or (t) the occurrence of an Event of Default (however defined) or upon a breach or failure of any term, covenant or condition in any other of the Loan Documents; or (u) with respect to a corporate Mortgagor or Guarantor, the sale, pledge, or assignment of any shares of Mortgagor's or any corporate Guarantor's stock without the prior written consent of Mortgagee, or with respect to a partnership Mortgagor or Guarantor, the sale, pledge, or assignment of any partnership interest in Mortgagor or any partnership Guarantor, without the prior written consent of Mortgagee, except as expressly permitted in paragraph 2.20; or

(v) the liquidation, termination or dissolution of Mortgagor or any corporate Guarantor without the prior written consent of Mortgagee (or the withdrawal from or admission into Mortgagor of any partner); or (w) the death or legal incapacity of any individual Guarantor (provided that the same shall not constitute an Event of Default if the terms of paragraph 2.20(vi) are satisfied); or (x) Mortgagor's default under the Hazardous Substances Indemnification Agreement of even date herewith from Mortgagor to Mortgagee.

5.2 General Remedies. Upon the occurrence and continuance of any Event of Default, after such notice of the Event of Default and such opportunity to cure the Event of Default as may be required by the Note, Mortgagee may take such action, subject to applicable law, without notice or demand, as it deems advisable to protect and enforce its rights against Mortgagor and in and to the Mortgaged Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Mortgagee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Mortgagee:

(a) Declare the entire unpaid Secured Indebtedness to be immediately due and payable and the same shall thereupon become, immediately due and payable without any presentment, demand, protest or notice of any kind; or

(b) Terminate Mortgagor's right and license to collect the rents, issues and profits and either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon and take possession of the Mortgaged Property, or any part thereof, in Mortgagee's own name, and do any acts which Mortgagee deems necessary or desirable to preserve the value, marketability or rentability of the Mortgaged Property, or any part thereof or interest therein, make, modify, enforce, cancel or accept the surrender of any lease, take actions which may affect the income therefrom or protect the security hereof, and with or without taking possession of the Mortgaged Property, sue for or otherwise collect the rents, issues and profits, including, without limitation, those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including, without limitation, attorneys' fees, upon any indebtedness secured hereby, all in such order as Mortgagee may determine and exercise all other rights and remedies provided or referenced in paragraph 4 of this Mortgage. The entering upon and taking possession of the Mortgaged Property, the collection of the rents, issues and profits and the application thereof as aforesaid, or any of such acts, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice and, notwithstanding the continuance in possession of the Mortgaged Property or the collection, receipt and application of the rents, issues and profits, Mortgagee shall be entitled to exercise every right provided for in the Note, this Mortgage or any of the other Loan Documents or by law upon the occurrence of any Event of Default;

(c) Commence an action to foreclose this Mortgage, appoint a receiver, and/or specifically enforce any of the covenants of this Mortgage;

(d) Exercise all other rights and remedies provided herein, in the Note, this Mortgage or any of the other Loan Documents now or hereafter securing all or any portion of the obligations secured hereby, or at law or in equity.

Upon request by Mortgagee, Mortgagor shall assemble and make available to Mortgagee at the Real Property any of the Mortgaged Property which is not located on the Real Property or which has been removed therefrom.

5.3 Additional Remedies. [Intentionally Deleted]

5.4 Rescission of Notice of Default. Mortgagee may from time to time rescind any notice of default or notice of sale before any sale of the Mortgaged Property pursuant to this Mortgage, by executing and delivering to Mortgagor a written notice of such rescission, which such notice shall also constitute a cancellation of any prior declaration of default and demand for sale. The exercise by Mortgagee of such right of rescission shall not constitute a waiver of any breach or default then existing or subsequently occurring, or impair the right of Mortgagee to execute and deliver to Mortgagor, pursuant to this Mortgage, other declarations or notices of default with respect to the obligations of this Mortgage or the Secured Indebtedness, nor otherwise affect any provision, covenant or condition of any Loan Document or any of the rights, obligations or remedies of Mortgagee hereunder or thereunder.

5.5 Appointment of Receiver. If an Event of Default shall have occurred and be continuing after such notice of the Event of Default and such opportunity to cure the Event of Default as may be required by the Note, Mortgagee, as a matter of right and upon notice to Mortgagor or to anyone claiming under Mortgagor, and without regard to the then value of the Mortgaged Property, or any portion of the Mortgaged Property, shall have the absolute right to the appointment of a receiver for the Mortgaged Property, and Mortgagor hereby irrevocably consents to such appointment. Any such receiver or receivers shall have the usual power and duties of receivers in like or similar cases and all the powers and duties of Mortgagee in case of entry as provided in subparagraph 5.2(b) above, and shall continue as such and exercise all such powers until the date of confirmation of the sale of the Mortgaged Property, unless such receivership is sooner terminated.

5.6 Remedies Not Exclusive; Waiver. Mortgagee shall be entitled to enforce the payment and performance of any indebtedness or obligations secured hereby and to exercise all rights and powers under this Mortgage or under any other Loan Document or other agreement or any laws now or hereafter in force, notwithstanding the fact that some or all of the indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by deed of trust, mortgage, pledge, lien, assignment or otherwise. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or other powers contained herein, shall prejudice or in any manner affect Mortgagee's right to realize upon

or enforce any other rights or security now or hereafter held by Mortgagee. Mortgagee shall be entitled to enforce this Mortgage and any other rights or security now or hereafter held by Mortgagee in such order and manner as Mortgagee may in its absolute discretion determine. No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy contained herein or by law provided or permitted, but each shall be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. Every power or remedy given by any of the Loan Documents to Mortgagee, or to which Mortgagee may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Mortgagee, and Mortgagee may pursue inconsistent remedies. By exercising or by failing to exercise any right, option or election hereunder, Mortgagee shall not be deemed to have waived any provision hereof or to have released Mortgagor from any of the obligations secured hereby unless such waiver or release is in writing and signed by Mortgagee. The waiver by Mortgagee of Mortgagor's failure to perform or observe any term, covenant, or condition referred to or contained herein to be performed or observed by Mortgagor shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent failure of Mortgagor to perform or observe the same or any other such term, covenants or condition referred to or contained herein, and no custom or practice which may develop between Mortgagor and Mortgagee during the term hereof shall be deemed a waiver of or in any way affect the right of Mortgagee to insist upon the performance by Mortgagor of the obligations secured hereby in strict accordance with the terms hereof or of any other Loan Document.

5.7 Application of Proceeds. The purchase money proceeds or avails of any sale made under or by virtue of this paragraph 5, together with any other sums which then may be held by Mortgagee under this Mortgage, whether under the provisions of paragraph 5.2 or otherwise, shall be applied as follows:

(a) *First:* To the payment of the costs and expenses of any such sale, including reasonable compensation to Mortgagee and its agents and counsel, and of any judicial proceedings wherein the same may be made, and of all expenses, liabilities and advances made or incurred by Mortgagee under this Mortgage, together with interest as provided herein on all advances made by Mortgagee and all taxes or assessments, except any taxes, assessments or other charges subject to which the Mortgaged Property shall have been sold.

(b) *Second:* To the payment of any and all applicable interest, late charges, after-default interest and other charges due under the Note.

(c) *Third:* To the payment of the unpaid principal balance of the Note.

(d) *Fourth:* To the payment of any other sums required to be paid by Mortgagor pursuant to any provision of this Mortgage or of the Note.

(e) *Fifth:* To the payment of the surplus, if any, to whomsoever may be lawfully entitled to receive the same.

Mortgagee and any receiver of the Mortgaged Property, or any part thereof, shall be liable to account for only those rents, issues and profits actually received by it.

5.8 Rights of Purchaser During Redemption Period. In the event that Mortgagor has an equity of redemption after the sale of the Mortgaged Property under or by virtue of this Mortgage, the purchaser may, during any redemption period allowed, make such repairs or alterations on said Mortgaged Property as may be reasonably necessary for the proper operation, care, preservation, protection and insuring thereof. Any sums so paid, together with interest thereon from the time of such expenditure at the Default Rate of interest set forth in the Note or the highest rate permitted by law, whichever is less, shall be added to and become a part of the amount required to be paid for redemption from such sale.

5.9 Waiver of Redemption Rights. Pursuant to Section 15-1601 of the Illinois Mortgage Foreclosure Law, as amended, 735 ILCS 5/15-1101 et seq., or any successor statute thereto (the "Act"), the Mortgagor hereby expressly waives any and all rights of redemption arising under Section 15-1603 of the Act, together with any and all other statutory rights of redemption on behalf of itself and on behalf of each and every person acquiring any interest or title in the Mortgaged Property subsequent to the date of this Mortgage. The Mortgagor acknowledges that the Mortgaged Property does not constitute agricultural real estate or residential real estate, as said terms are defined in the Act.

5.10 Mortgagee May Bid. Upon any sale made under or by virtue of this paragraph 5 (whether made under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale), Mortgagee may bid for and acquire the Mortgaged Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the Secured Indebtedness the net sale price after deducting therefrom the expenses of the sale and the costs of the action and any other sums which Mortgagee is authorized to deduct under this Mortgage.

5.11 Continuation of Lien. No recovery of any judgment by Mortgagee and no levy of an execution under any judgment upon the Mortgaged Property or upon any other property of Mortgagor shall affect in any manner or to any extent, the lien of this Mortgage upon the Mortgaged Property or any part thereof, or any liens, rights, powers or remedies of Mortgagee hereunder, but such liens, rights, powers and remedies of Mortgagee shall continue unimpaired as before.

5.12 Acceleration of Secured Indebtedness. In the event of any sale made under or by virtue of this Mortgage (whether made under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale) the entire Secured Indebtedness, if not previously due and payable, immediately thereupon shall, anything in the Note or in this Mortgage to the contrary notwithstanding, become due and payable.

5.13 Payment of Secured Indebtedness After Default. Upon the occurrence of any Event of Default and the acceleration of the maturity of the Note, if, at any time prior to foreclosure sale, Mortgagor or any other person tenders payment of the amount necessary to satisfy the Secured Indebtedness, such payment shall be subject to the provisions of paragraph 3 of the Note, entitled "Prepayment," which paragraph 3 is incorporated herein by this reference.

5.14 Possession of the Mortgaged Property. Upon the occurrence of any Event of Default hereunder and the continuance of such Event of Default after such notice of the Event of Default and such opportunity to cure the Event of Default as may be required under the Note, it is agreed that the then owner of the Mortgaged Property, if it is the occupant of the Mortgaged Property or any part thereof, shall immediately surrender to Mortgagee possession of that part of the Mortgaged Property so occupied, and if such occupant is permitted to remain in possession, the possession shall be as tenant of Mortgagee and, on demand, such occupant (a) shall pay to Mortgagee monthly, in advance, a reasonable rent for the space so occupied, and (b) in default thereof may be dispossessed by the usual summary proceedings. The covenants herein contained may be enforced by a receiver of the Mortgaged Property or any part thereof. Nothing in this paragraph 5.13 shall be deemed to be a waiver of the provisions of this Mortgage prohibiting the sale or other disposition of the Mortgaged Property without Mortgagee's consent.

5.15 Mortgagor's Actions After Default. After the happening of any Event of Default and the continuance of such Event of Default after such notice of the Event of Default and such opportunity to cure the Event of Default as may be required under the Note, and immediately upon the commencement of any action, suit or other legal proceeding by Mortgagee to obtain judgment for the Secured Indebtedness, or of any other nature in aid of the enforcement of the Note or of this Mortgage, Mortgagor will (a) enter its appearance in such action, suit or proceeding, and (b) if required by Mortgagee, consent to the appointment of a receiver or receivers of the Mortgaged Property and of all the earnings, revenues, rents, issues, profits and income thereof.

5.16 Control by Mortgagee After Default. Notwithstanding the appointment of any receiver, liquidator or trustee of Mortgagor, or of any of its property, or of the Mortgaged Property or any part thereof, to the maximum extent permitted by applicable law, Mortgagee, at its option, shall be entitled to obtain possession and control of all property now and hereafter covered by this Mortgage following the occurrence of an Event of Default.

## 6. GENERAL PROVISIONS.

6.1 Credits Waived. Mortgagor will not claim nor demand nor be entitled to any credit or credits against the Secured Indebtedness for so much of the taxes assessed against the Mortgaged Property or any part thereof, and no deductions shall otherwise be made or claimed from the taxable value of the Mortgaged Property or any part thereof, by reason of this Mortgage or the Secured Indebtedness.

6.2 No Release. Mortgagor agrees, that in the event the Mortgaged Property is sold and Mortgagee enters into any agreement with the then owner of the Mortgaged Property extending the time of payment of the Secured Indebtedness, or otherwise modifying the terms hereof, Mortgagor shall continue to be liable to pay the Secured Indebtedness unless expressly released and discharged in writing by Mortgagee. Nothing in this paragraph 6.2 shall be deemed to be a waiver of paragraph 2.20 or paragraph 5.1(h) of this Mortgage.

6.3 Notices. All notices hereunder shall be in writing and shall be deemed to have been sufficiently delivered and received for all purposes when delivered in person or deposited in the United States mails, sent by certified mail with return receipt requested, postage prepaid, to any party hereto at its address above stated (in the case of Mortgagee, to the attention of Commercial Real Estate Department). Either party may from time to time change its address by notice given in the same manner at least ten (10) days in advance of the effective date of such change of address.

6.4 Binding Obligations. The provisions and covenants of this Mortgage shall run with the land, shall be binding upon Mortgagor, and shall inure to the benefit of Mortgagee, subsequent holders of this Mortgage, and their respective successors and assigns. For the purpose of this Mortgage, the term "Mortgagor" shall mean Mortgagor named herein, any subsequent owner of the Mortgaged Property, and their respective heirs, executors, legal representatives, successors and assigns. If there is more than one Mortgagor, all their representations, warranties, covenants, agreements and undertakings hereunder shall be deemed joint and several.

6.5 Captions. The captions or headings of the paragraphs of this Mortgage are for the purpose of convenience only and are not intended to be a part of this Mortgage and shall not be deemed to modify, explain, enlarge or restrict any of the provisions hereof.

6.6 Severability. This Mortgage is designed for use in many states. Mortgagor and Mortgagee agree that the provisions of this Mortgage shall be enforceable only as permitted by the laws of the state in which the Mortgaged Property is located. Any provision of this Mortgage that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and without affecting the validity or enforceability of such provisions in any other jurisdiction.

6.7 All Rights Reserved. All covenants hereof shall be construed as affording to Mortgagee rights additional to and not exclusive of or in limitation on the rights conferred under any applicable law.

6.8 Amendment. This Mortgage cannot be altered, amended, modified or discharged orally and no executory agreement shall be effective to modify or discharge it in whole or in part, unless it is in writing and signed by the party against whom enforcement of the modification, alteration, amendment or discharge is sought.

6.9 Subrogation. If the money loaned or advanced by Mortgagee and secured hereby shall be used to pay off or discharge any mortgage, lien or encumbrance upon or against the Mortgaged Property, Mortgagee, at its option, will be subrogated to all such mortgages, liens or encumbrances so discharged, satisfied or paid, even though the same may be released of record, and to all the rights of the person or persons to whom such payments have been made, and may immediately enforce the same against Mortgagor and the Mortgaged Property.

6.10 Lender/Borrower Relationship. This Mortgage is given as an incident to a lending transaction between Mortgagee and Mortgagor, and in no event shall Mortgagee be construed or held to be a partner, joint venturer or associate of Mortgagor in the conduct of the business of Mortgagor on or about the Mortgaged Property or otherwise, nor shall Mortgagee be liable for any debts or obligations incurred by Mortgagor in the conduct of such business, it being understood and agreed that the relationship of the parties is and at all times shall remain that of lender and borrower.

6.11 Defense of Actions. Mortgagee shall have the right to appear in and defend any action or proceeding, in the name and on behalf of Mortgagor, which Mortgagee in its discretion, feels may adversely affect the Mortgaged Property or this Mortgage. Mortgagee shall also have the right to institute any action or proceeding which Mortgagee, in its discretion, feels should be brought to protect its interest in the Mortgaged Property or its rights hereunder. All costs and expenses incurred by Mortgagee in connection with such actions or proceedings, including, without limitation, reasonable attorneys' fees and appellate attorneys' fees, shall be paid by Mortgagor, on demand.

6.12 Incorporation of Cover Sheet. The information set forth on the cover of this Mortgage is hereby incorporated herein.

6.13 Receipt of Copy of Mortgage. Mortgagor acknowledges that it has received a true copy of this Mortgage.

6.14 Terminology. For the purposes of this Mortgage, all defined terms contained in this Mortgage shall be construed, whenever the context of this Mortgage so requires, so that the singular shall be construed as the plural and so that the masculine, feminine and neuter shall be construed interchangeably as circumstances require.

6.15 Integrated Agreement. This Mortgage and the other Loan Documents contain the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to the subject matter hereof, superseding all prior oral or written understandings.

6.16 Title Acts by Mortgagee. At any time upon payment of Mortgagee's fees and presentation of this Mortgage and said Note for endorsement (or for cancellation and retention in the case of full release), without affecting the liability of any person for the

payment of the Secured Indebtedness, Mortgagee may release, without warranty, all or any part of the Mortgaged Property. The grantee in any release may be described as the "person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Mortgagor agrees to pay a reasonable Mortgagee's fee for any full or partial release, together with a recording fee.

6.17 Promotional Material. Mortgagor authorizes Mortgagee to issue press releases, advertisements and other promotional materials in connection with Mortgagee's own business promotional and marketing activities, describing the loan referred to in this Mortgage and the matters giving rise to such loan.

6.18 Release. If the Secured Indebtedness is fully paid in accordance with the terms and provisions of the Note and this Mortgage, and if the covenants and agreements contained in the Note, in this Mortgage and in the other Loan Documents are kept and performed, then this conveyance shall be released at the expense of Mortgagor.

6.19 Governing Law; Jurisdiction; Venue. THE LOAN DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAWS OF THE STATE IN WHICH THE MORTGAGED PROPERTY IS SITUATED FROM TIME TO TIME IN EFFECT, EXCEPT TO THE EXTENT PREEMPTED BY FEDERAL LAW. ALL ACTIONS OR PROCEEDINGS WITH RESPECT TO THE LOAN DOCUMENTS MAY BE INSTITUTED IN ANY STATE OR FEDERAL COURT SITTING IN THE COUNTY(IES) IN WHICH THE MORTGAGED PROPERTY IS SITUATED, AS MORTGAGEE MAY ELECT, AND BY EXECUTION AND DELIVERY OF THIS MORTGAGE, MORTGAGOR IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE NONEXCLUSIVE JURISDICTION (BOTH SUBJECT MATTER AND PERSON) OF EACH SUCH COURT AND IRREVOCABLY AND UNCONDITIONALLY WAIVES (i) ANY OBJECTION THAT MORTGAGOR MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE IN ANY OF SUCH COURTS AND (ii) ANY CLAIM THAT ANY ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

6.20 Waiver of Jury Trial. MORTGAGOR WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, OR RELATED TO, THE SUBJECT MATTER OF THE LOAN DOCUMENTS. THIS WAIVER IS KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY MADE BY MORTGAGOR, AND MORTGAGOR ACKNOWLEDGES THAT NEITHER MORTGAGEE NOR ANY PERSON ACTING ON BEHALF OF MORTGAGEE HAS MADE ANY REPRESENTATIONS OF FACT TO INDUCE THIS WAIVER OF TRIAL BY JURY OR HAS TAKEN ANY ACTIONS WHICH IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. MORTGAGOR FURTHER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED (OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED) IN THE SIGNING OF THE LOAN DOCUMENTS AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL. MORTGAGOR ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS

WAIVER PROVISION. THIS MORTGAGE CONSTITUTES A WRITTEN CONSENT TO WAIVER OF TRIAL BY JURY, AND ANY PARTY IS AUTHORIZED AND EMPOWERED TO FILE THIS MORTGAGE WITH THE CLERK OR JUDGE OF ANY COURT OF COMPETENT JURISDICTION AS A STATUTORY WRITTEN CONSENT TO WAIVER OF TRIAL BY JURY.

6.21 Limitation of Recourse. This Mortgage and the other Loan Documents and all of Mortgagor's obligations hereunder and thereunder are subject to the provisions of paragraph 8 of the Note, entitled "Limitation of Recourse" and which are incorporated herein by this reference.

6.22 Future Advance Mortgage. This Mortgage secures future advances and is a future advance mortgage under applicable Illinois statutory and decisional law. All future advances under the Note, this Mortgage and the other Loan Documents shall have the same priority as if the future advance was made on the date that this Mortgage was recorded. In addition to securing the repayment of the Note hereinbefore mentioned, this Mortgage shall also secure the payment of all obligations of Mortgagor to Mortgagee, its successors and assigns, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent or now or hereafter existing or due or to become due, including all further or future advances, as shall be made at all times regardless of whether the proceeds of the loan evidenced by the Note have been disbursed by Mortgagee, to and for the benefit of Mortgagor, its heirs, personal representatives, successors or assigns, to the same extent as if such future advances were made on the date of the execution of this Mortgage, and it is the intention of the parties that all advances, including future advances, shall be a lien from the time this Mortgage is recorded, as provided in 735 ILCS 5/15-1302 of the Illinois Mortgage Foreclosure Law and the priority of the lien under this Mortgage shall at all times be preserved with respect to, and securing, all of the foregoing. The total amount of the Secured Indebtedness secured by this Mortgage may decrease or increase from time to time, but the total unpaid balance so secured shall not exceed Three Million and 00/100 Dollars ($3,000,000.00), together with interest thereon, and any and all disbursements made by the Mortgagee for the payment of taxes, special assessments, or insurance on the Mortgaged Property, with interest on such disbursements and for such sums advanced to preserve or restore the Mortgaged Property, preserve the lien of this Mortgage, or the priority thereof or enforce this Mortgage. Such further and future advances shall be wholly optional with Mortgagee.

6.23 Marshalling. Mortgagor hereby waives, in the event of foreclosure of this Mortgage or the enforcement by Mortgagee of any other rights and remedies hereunder, any right otherwise available in respect to marshalling of assets which secure the Secured Indebtedness or to require Mortgagee to pursue its remedies against any and other such assets. Mortgagor hereby waives and releases all rights and benefits under and by virtue of the Homestead Exemptions laws of the State of Illinois.

IN WITNESS WHEREOF, this Mortgage has been duly executed as of the date first above written.

"Mortgagor": U-STOR-IT (BUSSE RD.) L.L.C.,
an Illinois limited liability company

By: BLUEGILL, LLC,
an Illinois limited liability company, Manager

By: L. S. Nora
Printed Name: Lawrence S. Nora
Title: Manager



STATE OF Illinois )
) ss.
COUNTY OF Boone )

On August 8, 2003, before me, Katrina Marquette-Ross, a Notary Public in and for said County and State, personally appeared Lawrence S. Nora, Manager of Blue Gill, LLC, an Illinois limited liability company, Manager of U-Stor-It (Busse Rd.) L.L.C., an Illinois limited liability company, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature Katrina Marquette-Ross

FOR NOTARY SEAL OR STAMP

OFFICIAL SEAL
KATRINA MARQUETTE-ROSS
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES JUNE 14, 2005

## EXHIBIT "A"

## Property Description

**PARCEL 1:**
THAT PART OF LOT 3 IN G.T.E. RESUBDIVISION OF PARTS OF LOTS 167, 169 AND 172 IN THE TOWN OF RAND, PART OF LOT 24 IN COUNTY CLERK'S SUBDIVISION AND LOTS 38 AND 39 IN ALBERT E. CLARK'S SUBDIVISION, ALL IN THE SOUTHWEST 1/4 OF SECTION 16 AND THE NORTHWEST 1/4 OF SECTION 21, TOWNSHIP 41 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED AUGUST 3, 1987 AS DOCUMENT NUMBER 87426203, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 3; THENCE NORTH ALONG THE EAST LINE OF SAID LOT 3, A DISTANCE OF 135.20 FEET; THENCE NORTH 37 DEGREES 10 MINUTES 10 SECONDS EAST, A DISTANCE OF 141.90 FEET; THENCE NORTH 52 DEGREES 49 MINUTES 50 SECONDS WEST, A DISTANCE OF 107.59 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 60.47 FEET TO THE SOUTHEAST CORNER OF LOT 1 IN G.T.E. RESUBDIVISION, AFORESAID; THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 1 TO THE SOUTHWEST CORNER THEREOF; THENCE SOUTH ALONG THE SOUTHERLY EXTENSION OF THE WEST LINE OF SAID LOT 1 TO THE NORTHEASTERLY RIGHT OF WAY LINE OF BUSSE HIGHWAY; THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE, A DISTANCE OF 414.65 FEET TO THE POINT OF BEGINNING (EXCEPTING THEREFROM, THAT PART DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 3; THENCE NORTHWESTERLY ALONG THE SOUTHERLY LINE OF LOT 3, ALSO BEING THE NORTHEASTERLY LINE OF BUSSE HIGHWAY, A DISTANCE OF 414.65 FEET; THENCE NORTH PARALLEL WITH THE EAST LINE OF LOT 172 IN THE TOWN OF RAND, AFORESAID, A DISTANCE OF 20.60 FEET TO A POINT FOR A PLACE OF BEGINNING; THENCE NORTHEASTERLY ON A LINE DRAWN AT RIGHT ANGLES TO THE NORTHEASTERLY LINE OF BUSSE HIGHWAY, A DISTANCE OF 73.84 FEET; THENCE NORTHWESTERLY ON A LINE PARALLEL WITH THE NORTHEASTERLY LINE OF BUSSE HIGHWAY, A DISTANCE OF 55.98 FEET TO A POINT ON A LINE DRAWN PARALLEL WITH THE EAST LINE OF SAID LOT 172; THENCE SOUTH ALONG SAID LINE PARALLEL WITH THE EAST LINE OF LOT 172, A DISTANCE OF 92.66 FEET TO THE PLACE OF BEGINNING), IN COOK COUNTY, ILLINOIS

**PARCEL 2:**
LOT 4 IN G.T.E. RESUBDIVISION OF PARTS OF LOTS 167, 169 AND 172 IN TOWN OF RAND, PART OF LOT 24 IN THE COUNTY CLERK'S DIVISION AND OF LOTS 38 AND 39 IN ALBERT E. CLARKE'S SUBDIVISION, ALL IN THE SOUTHWEST 1/4 OF SECTION 16 AND THE NORTHWEST 1/4 OF SECTION 21, TOWNSHIP 41 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**PARCEL 3:**
THAT PART OF LOT 3 IN G.T.E. RESUBDIVISION OF PARTS OF LOTS 167, 169 AND 172 IN TOWN OF RAND, PART OF LOT 24 IN THE COUNTY CLERK'S DIVISION AND OF LOTS 38 AND 39 IN ALBERT E. CLARKE'S SUBDIVISION, ALL IN THE SOUTHWEST 1/4 OF SECTION 16 AND THE NORTHWEST 1/4 OF SECTION 21, TOWNSHIP 41 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 3; THENCE NORTHWESTERLY ALONG THE SOUTHERLY LINE OF LOT 3, ALSO BEING THE NORTHEASTERLY LINE OF BUSSE HIGHWAY, A DISTANCE OF 414.65 FEET TO A POINT FOR A PLACE OF BEGINNING; THENCE NORTH PARALLEL WITH THE EAST LINE OF LOT 172 IN TOWN OF RAND, AFORESAID, A DISTANCE OF 20.60 FEET; THENCE NORTHEASTERLY ON A LINE DRAWN AT RIGHT ANGLES TO THE NORTHEASTERLY LINE OF BUSSE HIGHWAY, A DISTANCE OF 73.84 FEET; THENCE NORTHWESTERLY ON A LINE PARALLEL WITH THE NORTHEASTERLY LINE OF BUSSE HIGHWAY, A DISTANCE OF 55.98 FEET TO A POINT OF A LINE DRAWN PARALLEL WITH THE EAST LINE OF SAID LOT 172, THENCE NORTH ALONG AFORESAID PARALLEL LINE, 284.74 FEET, MORE OR LESS, TO A POINT IN THE SOUTHERLY LINE OF MINER STREET, 261.77 FEET WESTERLY (AS MEASURED ALONG SAID SOUTHERLY LINE) OF THE INTERSECTION OF SAID SOUTHERLY LINE OF MINER STREET WITH THE EASTERLY LINE OF SAID LOT 172; THENCE WESTERLY ALONG THE SOUTHERLY LINE OF MINER STREET, 70.61 FEET TO THE MOST EASTERLY WEST LINE OF SAID LOT 3; THENCE SOUTH ON SAID WEST LINE, 145.72 FEET; THENCE WEST ON A LINE DRAWN AT RIGHT ANGLES TO THE LAST DESCRIBED LINE, A DISTANCE OF 130.47 FEET TO THE MOST WESTERLY LINE OF SAID LOT 3; THENCE SOUTH ALONG SAID LINE 91.00 FEET TO A POINT IN THE NORTHEASTERLY LINE OF BUSSE HIGHWAY; THENCE SOUTHEASTERLY ALONG THE NORTHEASTERLY LINE OF BUSSE HIGHWAY, A DISTANCE OF 251.58 FEET, MORE OR LESS, TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

**COMMONLY KNOWN AS 1800 BUSSE ROAD, DES PLAINES, IL 60016**

and
also described as:

**PERIMETER LEGAL DESCRIPTION:**
ALL OF LOTS 3 AND 4 IN G.T.E. RESUBDIVISION OF PARTS OF LOTS 167, 169 AND 172 IN THE TOWN OF RAND, PART OF LOT 24 IN COUNTY CLERK'S SUBDIVISION AND LOTS 38 AND 39 IN ALBERT E. CLARK'S SUBDIVISION, ALL IN THE SOUTHWEST 1/4 OF SECTION 16 AND THE NORTHWEST 1/4 OF SECTION 21, TOWNSHIP 41 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED AUGUST 3, 1987 AS DOCUMENT 87426203, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 3; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST ALONG THE EAST LINE OF SAID LOT 3, BEING ALSO THE WEST LINE OF LOT 167 IN THE TOWN OF RAND, 135.20 FEET; THENCE NORTH 37 DEGREES 10 MINUTES 10 SECONDS EAST ALONG THE EASTERLY LINE OF SAID LOT 3, 141.90 FEET; THENCE NORTH 52 DEGREES 49 MINUTES 50 SECONDS WEST ALONG THE EASTERLY LINE OF SAID LOT 3, 107.59 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST ALONG THE EAST LINE OF SAID LOT 3, BEING ALSO THE WEST LINE OF LOT 167 IN THE TOWN OF RAND, 60.47 FEET TO THE SOUTHEAST CORNER OF LOT 1 IN G.T.E. RESUBDIVISION, AFORESAID; THENCE NORTH 89 DEGREES 48 MINUTES 46 SECONDS WEST ALONG THE SOUTH LINE OF SAID LOT 1, 330.43 TO THE SOUTHWEST CORNER THEREOF; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST ALONG THE WEST LINE OF SAID LOT 1, 274.00 FEET TO THE NORTHWEST CORNER OF SAID LOT 1, BEING A POINT ON THE SOUTHERLY LINE OF MINER STREET; THENCE SOUTH 82 DEGREES 26 MINUTES 40 SECONDS WEST ALONG SAID SOUTHERLY LINE OF MINER STREET, 139.94 FEET TO AN ANGLE POINT IN SAID LINE; THENCE NORTH 89 DEGREES 17 MINUTES 20 SECONDS WEST ALONG THE SOUTHERLY LINE OF MINER STREET, 138.40 FEET TO THE NORTHWEST CORNER OF LOT 4 IN G.T.E. RESUBDIVISION, AFORESAID; THENCE SOUTH 00 DEGREES 42 MINUTES 40 SECONDS WEST ALONG THE WESTERLY LINE OF SAID LOT 4, 75.91 FEET TO AN ANGLE POINT IN SAID LINE; THENCE SOUTH 37 DEGREES 10 MINUTES 10 SECONDS WEST ALONG THE WESTERLY LINE OF SAID LOT 4, 75.62 FEET TO THE SOUTHWEST CORNER OF SAID LOT 4, BEING A POINT ON THE NORTHEASTERLY LINE OF BUSSE HIGHWAY; THENCE SOUTH 52 DEGREES 49 MINUTES 50 SECONDS EAST ALONG THE SOUTHERLY LINE OF LOTS 3 AND 4 IN G.T.E. RESUBDIVISION, AFORESAID, BEING ALSO THE NORTHEASTERLY LINE OF BUSSE HIGHWAY, 820.93 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS. (CONTAINING 169, 769 SQUARE FEET OR 3.897 ACRES)

**EXHIBIT "B"**

**Permitted Exceptions**

1. Taxes for the year(s) 2002 and 2003.
2003 taxes not yet due and payable.

Permanent Index Number(s):

| | | |
|---|---|---|
| 09-21-107-052-0000 | First Installment | $ 4,748.67 |
| 09-21-107-053-0000 | First Installment | $25,401.20 |
| 09-21-107-054-0000 | First Installment | $11,755.18 |

Note: 2002 First Installment is paid.

Note: 2002 Final Installment not delinquent before August 1, 2003.

Note: 2002 Final Installment amount/date not determined until bill is issued.

2. Rights of tenants, as tenants only under existing unrecorded leases.

3. Terms and provisions of Ordinance No. M-22-92, entitled "An Ordinance Permitting the Transfer of Parcels 5 and 10 of Lot 3 in G.T.E. Subdivision" which Ordinance was recorded as Document 92,671,026.

4. Covenants, conditions and restrictions contained in a Deed.
Recorded: October 21, 1947
Document: 14,173,503

Said covenants, conditions and restrictions relate to, among other things, the following:

Use of the land and use of building to be erected thereon.

Said covenants, conditions and restrictions do not provide for a reversion of title in the event of a breach thereof.

(Affects Parcel 1.)

5. Easement for the installation, maintenance, repair and operation of an underground sewer tile for purpose of draining surface water, created by Grant made by General Telephone Directory Company to General Box Company, recorded as Document 20,829,258 over and on the following:

A strip of land 3.00 feet wide, lying parallel, adjacent to, westerly of and southerly of the following described line:

Beginning at the intersection of the northeasterly line of Busse Highway (80 feet wide) and the east line of Lot 172 in Town of Rand (now Des Plaines), being a subdivision of parts of Sections 16, 17, 20 and 21, Township 41 North, Range 12 East of the Third Principal Meridian; thence north along the east line of Lot 172, a distance of 135.44 feet; thence north 37 degrees 11 minutes 10 seconds east along a line which is 70.00 feet easterly of and parallel with the easterly face of an existing building, a distance of 141.70 feet; thence north 52 degrees 48 minutes 50 seconds west along a line which is 106.00 feet northerly of and parallel with the northerly face of an existing building, a distance of 107.50 feet; thence north along the east line of said Lot 172, to a point being 182.87 feet south of the angle corner in the east line of said Lot 172.

(Affects the easterly 3 feet of Lot 3 of Parcel 1.)

6. Easement created by Grant from GTE Directories Service Corporation to the First National Bank of Des Plaines, as Trustee under Trust Agreement Dated February 20, 1975, and known as Trust Number 15,581,558 recorded October 18, 1985, as Document 85,243,232 for ingress and egress.

(Affects approximately the east 30 feet of the south 135.20 feet of Parcel 1.)

7. Easement for sewer in favor of the City of Des Plaines, its successors and assigns, as created by the plat recorded August 3, 1987, as Document 87,426,203. For particulars, see plat.

(Affects Parcel 1.)

8. Easement for ingress, egress, driveway, public utilities and drainage being 23 feet wide (as measured at right angles to the east line thereof) in the southeast corner of Lot 3 as shown on plat of G.T.E. Resubdivision recorded August 3, 1987, as Document 87,426,203.

(Affects Parcel 1.)

9. Easement for storm water drainage along the north 10 feet of Lot 3 and a triangular part of in the northeast corner of Lot 3 as shown on plat of subdivision recorded August 3, 1987, as Document 87,426,203.

(Affects Parcel 1.)

10. An easement for various public utilities and storm water drainage as disclosed by the plat of subdivision.

| | |
|---|---|
| Recorded: | August 3, 1987 |
| Document: | 87,426,203 |
| Affects: | The areas within the dotted marked "Easement for Sewer" and "Easement for Storm Water Drainage" |

(Affects Parcel 1.)

11. Restrictions contained in Deed from Hulda Borchart, and others, to Guy J. Henry dated October 16, 1947, and recorded October 21, 1947, as Document No. 14,173,503 relating to use of the land and use of building to be erected thereon.

Note: Said instrument contains no provision for a forfeiture of or reversion of title in case of breach of condition.

(Affects the easterly triangular projection of Parcel 3 and other property not now in question.)

12. Encroachment of the fence located mainly on the land onto the property northeast and adjoining as shown on plat of Survey Number 21-41-12 (2003-0500) prepared by Edward J. Molloy and Associates Ltd. dated July 21, 2003.

(Affects the area northeast of the two story high brick self storage building.)