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Doc#: 0618716064 Fee: \$80.50
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 07/08/2008 01:59 PM Pg: 1 of 29

SPACE ABOVE FOR RECORDER'S USE

MORTGAGE

THIS MORTGAGE (the "Mortgage"), made as of the 30th day of June, 2006, between, NORTHSHORE CENTER THC, LLC, an Illinois limited liability company ("Mortgagor"), as mortgagor, whose address is 3100 Dundee Road, Suite 107, Northbrook, IL 60062 and BANKFIRST, a South Dakota state bank ("Lender"), as mortgagee, whose address is 150 South Fifth Street, Suite 3000, Minneapolis, MN 55402.

WITNESSETH:

WHEREAS, Mortgagor has on this date executed the Notes and the other Loan Documents, which evidence the Loan; and

WHEREAS, the Mortgagor desires to grant a mortgage to Lender to secure performance by Mortgagor of all of the terms, covenants and conditions set forth in the Loan Documents.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor hereby agrees as follows:

ARTICLE I

DEFINITIONS

1.01 Definition of Terms. As used in this Mortgage:

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- (a) **Event of Default:** shall have the same meaning assigned to such term in Article V hereof.
- (b) **Insured Casualty:** shall mean any insured damage to or destruction of the Property or any part thereof.
- (c) **Loan:** shall mean the loan from Lender to Mortgagor evidenced by the Loan Documents.
- (d) **Loan Documents:** shall have the same meaning assigned to such term under the Notes.
- (e) **Notes:** shall mean that certain Promissory Note A of even date naming Mortgagor, as maker and Lender as payee, with an original principal balance of **\$24,710,000.00**, and that certain Promissory Note B of even date naming Mortgagor, as maker and Lender as payee, with an original balance of **\$1,500,000.00**, each providing for a final payment of all sums due thereunder, if not sooner paid, on December 30th, 2006.
- (f) **Permitted Exceptions:** those exceptions to title to the Real Property set forth on Exhibit B attached hereto and made a part hereof.
- (g) **Property:** shall mean the Real Property together with all of the other property described in Article II hereof.
- (h) **Real Property:** shall mean the land described in Exhibit A attached hereto and made a part hereof, together with any and all easements, rights-of-way, licenses, hereditaments, rights and privileges and appurtenances thereto, together with any and all other land which may at any time hereafter be conveyed by Mortgagor to Lender as security for the Notes or the other Loan Documents.

1.02 Other Terms. As used in this Mortgage, all terms capitalized herein, defined in the Notes and not otherwise defined herein shall have the same meanings as set forth in the definitions contained in the Notes.

ARTICLE II

GRANTING CLAUSE

To secure the performance of all covenants and agreements contained in this Mortgage and in the Loan Documents and to secure payment of the principal amount of Twenty Six Million Two Hundred Ten Thousand and no/100 Dollars (\$26,210,000.00) together with all fees, charges, interest and other amounts that may come due under the Loan Documents, Mortgagor by these presents does hereby mortgage, grant, convey and assign to Lender, its successors and assigns, forever, all and singular its entire estate and interest in the following described property, to-wit:

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2.01 Real Property. The Real Property.

2.02 Highways and Thoroughfares. All right, title and interest of Mortgagor, if any, now or at any time hereafter existing, in and to all highways, roads, streets, alleys and other public thoroughfares, bordering on or adjacent to the Real Property, together with all right, title and interest of Mortgagor to the land making up such highways, roads, streets, alleys and other public thoroughfares and all heretofore or hereafter vacated highways, roads, streets, alleys, and public thoroughfares adjoining or within the Real Property or any part thereof.

2.03 Buildings. All buildings, structures, improvements, plants, works and fixtures owned by borrower now or at any time hereafter located on any portion of the Real Property and, without any further act, all extensions, additions, betterments, substitutions and replacements thereof.

2.04 Fixtures, Equipment. All right, title and interest of Mortgagor in and to all fixtures, furniture, furnishings, equipment, machinery, appliances, apparatus and other property of every kind and description now or at any time hereafter installed or located on or used or usable in connection with the Real Property or the buildings and improvements situated thereon, whether such right, title or interest in such items of property is now owned or hereafter acquired by Mortgagor, including, but not limited to, all accessories, toilets, cabinets, paneling, rugs, attached floor coverings, antennas, all lighting, heating, cooling, ventilating, air conditioning, humidifying, dehumidifying, plumbing, sprinkling, incinerating, refrigerating, air-cooling, lifting, fire extinguishing, cleaning, communicating and electrical systems, and the machinery, appliances, fixtures and equipment pertaining thereto, all switchboards, engines, motors, tanks, pumps, partitions, conduits, ducts, compressors, elevators and escalators, boilers, incinerators and the machinery, appliances, fixtures and equipment pertaining thereto, all of which fixtures, furnishings, furniture, equipment, machinery and other property shall be deemed to be part of the Real Property. It is the intention hereof that all property of the kind and character described in this Section 2.04 which Mortgagor now owns, and all of such property which it may hereafter acquire, shall be subject to the lien and security interest of this Mortgage with like effect as if now owned by Mortgagor and as if covered and conveyed hereby by specific and apt descriptions.

2.05 Intangible Rights, Rents. All rights, privileges, permits, licenses, easements, consents, tenements, hereditaments and appurtenances now or at any time hereafter belonging to or in any way appertaining to the Real Property or to any property now or at any time hereafter comprising a part of the property subject to this Mortgage; and all right, title and interest of Mortgagor, whether now or at any time hereafter existing, in all revisions and remainders to the Real Property and such other property, and all rents, income, issues, to the Real Property and such other property, and all rents, income, issues, profits, royalties and revenues derived from or belonging to such Real Property and other property subject to this Mortgage or any part thereof.

2.06 Proceeds. Any and all proceeds of the conversion, whether voluntary or involuntary, of all or any part of the Real Property and other property and interests subject to this Mortgage into cash or liquidated claims, including, without limitation by reason of specification, proceeds of insurance, condemnation awards and any and all other property of every name and nature from

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time to time by delivery or writing of any kind conveyed, mortgaged, pledged, assigned or transferred for additional security for this Mortgage.

TO HAVE AND TO HOLD the Property unto Lender, its successors and assigns, forever; provided that if Mortgagor pays all amounts required to be paid to Lender under the Notes according to its terms, makes all other required payments and performs all other terms, conditions, covenants and agreements contained in the Loan Documents, then this Mortgage shall be released in accordance with the terms specifically set forth hereafter. If any improvements or property become a part of the Property after the date hereof by location or installation on the Real Property or in the building or buildings now or in the future situated thereon or otherwise, then this Mortgage shall immediately attach to and constitute a lien or security interest against such additional items without further act or deed of Mortgagor.

ARTICLE III

CONDITION OF TITLE

Mortgagor represents and warrants to and covenants with Lender, its successors and assigns that: (a) it is the owner of a fee simple interest in the Property, subject only to the Permitted Exceptions; (b) this Mortgage is and shall remain a valid and enforceable lien on the Property to secure the performance of each and every obligation of Mortgagor set forth in the Loan Documents, subject only to the Permitted Exceptions; and (c) it will forever warrant and defend to Lender, its successors and assigns, the Property against all claims and demands whatsoever not specifically excepted in this Mortgage.

ARTICLE IV

COVENANTS OF MORTGAGOR

So long as the Notes remain unpaid and are in effect, Mortgagor shall abide by each of the following covenants:

4.01 Payment of Principal and Interest. Mortgagor shall duly and punctually pay each and every installment of principal and interest under the Notes when due, promptly pay any penalties or other assessments that may be made, and timely comply with and carry out all of its covenants and agreements set forth in the Loan Documents.

4.02 Insurance. Mortgagor shall obtain or caused to be obtained and keep in full force and effect during the term of this Mortgage at Mortgagor's sole cost and expense, the following policies of insurance:

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Before Completion

Contractor's Liability - Contractor's Comprehensive General Liability Insurance [including operations, product liability, contingent liability operations, operations of subcontractors, completed operations, contractual liability insurance and comprehensive automobile liability insurance (including hired and non-owned liability)] and with combined single limit and general aggregate coverage for personal and bodily injury and property damage of at least \$1,000,000.00 for each occurrence, \$2,000,000.00 general aggregate and with \$2,000,000.00 excess liability coverage.

Worker's Compensation - Statutory worker's compensation coverage in the required amounts.

After Completion

CGL. Commercial general public liability insurance (including product liability, completed operations, contractual liability, host liquor liability, broad form property damage, and personal injuries, including death resulting therefrom) and with combined single limit and general aggregate coverage for personal and bodily injury and property damage of at least \$1,000,000.00 for each occurrence, \$2,000,000.00 general aggregate and with \$2,000,000.00 excess liability coverage.

Maximum deductible on all coverages and policies shall be no greater than \$10,000.00. The insurance carrier must be rated A, Class XII, or better by Best's Rating Service. Such insurance policies shall be written on forms and with insurance companies satisfactory to Lender, shall be in amounts sufficient to prevent Mortgagor from becoming a co-insurer of any loss thereunder, shall insure Lender as a first mortgagee on the casualty and business interruption/loss of rents coverage under a standard mortgagee clause and shall name Lender as an "additional insured" on all required liability coverages and policies. Insurance certificates evidencing such insurance and evidence of payment of premiums thereon and written agreements by the insurer or insurers therein to give Lender thirty (30) days' prior written notice of any intention to cancel. If no such copy is available, Lender will accept a binder for a period not to exceed ninety (90) days. Mortgagor shall, within thirty (30) days prior to the expiration of any such policy, deliver insurance certificates evidencing the renewal of such insurance together with evidence of the payment of current premiums therefor. Any vacancy, change of title, tenant occupancy or use, physical damage, additional improvements or other factors affecting any insurance contract must be promptly reported to Lender. All binders, certificates of insurance, and original or certified copies of policies must name Mortgagor as a named insured, or as an additional insured, must include the complete and accurate property address and must bear the original signature of the issuing insurance agent. In the event of a foreclosure or trustee's sale under the Mortgage or any acquisition of the Premises by Lender all such policies and any proceeds payable therefrom, whether payable before or after a foreclosure sale, or during the period of redemption, if any, shall become the absolute property of Lender to be utilized at its discretion. In the event of foreclosure or the failure to obtain and keep any required insurance Mortgagor empowers Lender to effect the above insurance upon the Premises at Mortgagor's expense and for the benefit of

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Lender in the amounts and types aforesaid for a period of time covering the time of redemption from sale, and if necessary therefor, to cancel any or all existing insurance policies. Mortgagor agrees to pay Lender such fees as may be permitted under applicable law for the costs incurred by Lender in determining, from time to time, whether the Premises are located within an area having special flood hazards. Such fees shall include the fees charged by any organization providing for such services.

Mortgagor will give Mortgagee prompt notice of any damage to or destruction of the Mortgaged Property, and in case of loss covered by policies of insurance Mortgagee (whether before or after foreclosure sale) is hereby authorized at its option, upon ten (10) days prior written notice to Mortgagor, to settle and adjust any claim arising out of such policies and collect and receipt for the proceeds payable therefrom; provided, that Mortgagor may itself adjust and collect for any losses arising out of a single occurrence aggregating not in excess of \$250,000.00. Any expense incurred by Mortgagee in the adjustment and collection of insurance proceeds (including the cost of any independent appraisal of the loss or damage on behalf of Mortgagee) shall be reimbursed to Mortgagee first out of any proceeds. The proceeds or any part thereof shall be applied at the discretion of Mortgagee to reduction of the Indebtedness Secured Hereby then most remotely to be paid, whether due or not, without the application of any prepayment premium, or to the restoration or repair of the Mortgaged Property. Any application of insurance proceeds shall not extend or postpone the due dates of the monthly installments payable under the Notes or change the amount of such installments.

4.03 Preservation and Maintenance of Property. Mortgagor (a) shall not commit waste or permit impairment or deterioration of the Property, (b) shall not abandon the Property, (c) shall restore or repair promptly and in a good and workmanlike manner all or any part of the Property to the equivalent of its original conditions unless part of the planned demolition, or such other condition as Lender may approve in writing, in the event of any damage, injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (d) shall keep the Property, including improvements, fixtures, equipment, machinery and appliances thereon in good repair unless part of the planned demolition and shall replace fixtures, equipment, machinery and appliances on the Property when necessary to keep such items in good repair, (e) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property, (f) shall comply with all covenants, requirements, and obligations of Mortgagor or with respect to the Property under any agreement, easement or restriction, including without limitation the Permitted Exceptions, (g) refrain from making material alterations to the Property except as part of the planned development of the property and except as required by law or municipal ordinances without the consent of Lender; and (h) shall give notice in writing to Lender of and, unless otherwise directed in writing by Lender, appear in and defend any action or proceedings purporting to affect the Property, the security of this Mortgage or the rights or powers of Lender. Neither Mortgagor nor any tenant or other person shall remove, demolish or alter any improvement now existing or hereafter erected on the Property or any fixture, equipment, machinery or appliance in or on the Property except when incident to the replacement of fixtures, equipment, machinery and appliances with items of like kind.

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4.04 Condemnation Proceeds. Mortgagor shall give Lender prompt notice of any pending or threatened eminent domain proceedings of any or all of the Property, including any damages to grade, and Mortgagor hereby assigns, transfers and sets over unto Lender the entire proceeds of any award or claim for damages for any of the Property taken or damaged under the power of eminent domain. Lender may elect to apply (or hold for application when due) the proceeds of the award upon or in reduction of the indebtedness hereby secured then most remotely to be paid, whether due or not, or to require Mortgagor to restore or rebuild the Property in which event the proceeds shall be held by Lender and used to reimburse Mortgagor for the cost of such rebuilding and restoring. If Mortgagor is required or permitted to rebuild or restore the Property as aforesaid, such rebuilding or restoration shall be effected solely in accordance with plans and specifications previously submitted to and approved by Lender, and proceeds of the award shall be paid out in the same manner as is provided in Section 4.02 for the payment of insurance proceeds towards the costs of rebuilding or restoration. If the amount of such award is insufficient to cover the cost of rebuilding or restoration, Mortgagor shall pay such costs in excess of the award, before being entitled to reimbursement out of the award. Any surplus which may remain out of the award after payment of such costs of rebuilding or restoration shall, at the option of Lender, be applied (or held for application when due) on account of the indebtedness hereby secured, then most remotely to be paid or be paid to any other party entitled thereto. Notwithstanding any taking by eminent domain, Mortgagor shall continue to pay interest on the entire principal sum secured until any such award or payment shall have been actually received by Lender and any reduction in the principal sum resulting from the application by Lender of such award or payment as hereinafter set forth shall be deemed to take effect only on the date of such receipt. If, prior to the receipt by Lender of such award or payment, the Property shall have been sold by foreclosure of this Mortgage, Lender shall have the right to receive such award or payment to the extent of any deficiency found, to be due upon such sale, with interest thereon at the lowest default rate provided for in the Notes, whether or not a deficiency judgment on this Mortgage shall have been sought or recovered or denied, and of the reasonable attorneys' fees, costs and disbursements incurred by Lender in connection with the collection of such award or payment.

4.05 Expenses of Litigation. If any action or proceeding be commenced to which action or proceeding Lender is or becomes a party or in which it becomes necessary to defend or uphold the lien of this Mortgage or the efficacy of any other Loan Document, all sums paid by Lender for the expenses of any litigation (including reasonable attorneys' fees) to prosecute or defend the rights and lien created by this Mortgage or said Loan Documents shall, on notice and demand, be paid by Mortgagor, together with the interest thereon at the default rate provided for in the Notes and shall be a lien on the Property, prior to any right or title to, interest in or claim upon the Property subordinate to the lien of this Mortgage, and shall be deemed to be secured by this Mortgage.

4.06 Compliance with Laws. Mortgagor covenants and represents that the Property complies with the covenants and restrictions affecting the Property, with all applicable building and zoning laws, and Mortgagor shall at all times so own and use the same and take all steps necessary to assure such compliance at all times. The Property is zoned to permit the intended operation and use of the Property. Mortgagor shall not initiate or acquiesce in any zoning reclassification other

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than as already submitted, or seek any condition use permit or variance other than as already submitted without Lender's prior written consent.

4.07 No Further Encumbrances. Mortgagor will keep the Property free from all liens and encumbrances, whether inferior or superior to the lien of this Mortgage, except for the Permitted Exceptions. Any person, firm or corporation taking a mortgage, lien or other encumbrance against the Property (except for those that are Permitted Exceptions) shall take the said lien subject to the rights of Lender herein and the right of Lender to amend, modify and supplement this Mortgage, the Loan Documents, and the Notes and to extend the maturity of any indebtedness hereby secured, in each and every case without obtaining the consent of the holder of any such liens and without the lien of this Mortgage losing its priority over the rights of any such liens.

4.08 Use of Property. Unless required by applicable law or unless Lender otherwise agrees in writing, Mortgagor shall not allow changes in the use for which all or any part of the Property was intended at the time this Mortgage was executed.

4.09 Protection of Lender's Security. If Mortgagor fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which affects the Property or title thereto or the interest of Lender therein, including, but not limited to, eminent domain, insolvency, code enforcement or arrangements or proceedings involving a bankrupt or decedent, then Lender, at its option, may upon thirty (30) days notice to Mortgagor (except where such notice would be extremely impractical) make such appearances, disburse such sums and take such action as Lender deems necessary, in its sole discretion, to protect Lender's interest, including, but not limited to: (i) disbursement of attorneys' fees; (ii) entry upon the Property to make repairs; or (iii) procurement of satisfactory insurance as provided in Section 4.02 hereof. Any amounts disbursed by Lender pursuant to this Section 4.09, with interest thereon, shall become additional indebtedness of Mortgagor secured by this Mortgage. Unless Mortgagor and Lender agree to other terms of payment, such amounts shall be immediately due and payable and shall bear interest from the date of disbursement at the lowest default rate stated in the Notes unless such rate of interest exceeds applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from mortgagor under applicable law. Mortgagor hereby covenants and agrees that Lender shall be subrogated to the lien of any mortgage or other lien discharged, in whole or in part, by the indebtedness secured hereby. Nothing contained in this Section 4.09 shall require Lender to incur any expense or take any action hereunder.

4.10 Inspection. Mortgagor shall permit Lender, and its duly authorized agents, experts, engineers and representatives, upon at least twenty-four (24) hours prior notice, to make or cause to be made entries upon and inspections of the Property during normal business hours at all time during the term hereof. Mortgagor shall assist Lender in conducting all inspections and shall make access available to Lender to all tenant areas.

4.11 Books and Records. Mortgagor shall keep and maintain at all times at Mortgagor's address stated below or upon ten (10) days prior notice to Lender, at such other place as designated by

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Mortgagor within the state of Illinois, complete and accurate books of accounts and records adequate to reflect correctly the results of the operation of the Property and copies of all written contracts, leases and other instruments which affect the Property, including without limitation copies of all quotations, purchase orders and contracts obtained by Mortgagor in the course of designing and constructing the Property, if applicable. Such books, records, contracts, leases and other instruments shall be subject to examination and inspection at any reasonable time by Lender, and Lender may copy the same at Lender's expense, provided that Lender may use and/or release such information only in connection with the administration or enforcement of this Mortgage or the other Loan Documents. Mortgagor shall furnish to Lender, within one hundred and twenty (120) days after the end of each fiscal year, a balance sheet, a statement of income and expenses of the Property and a statement of changes in financial position, each in reasonable detail and certified by Mortgagor, and, if Lender shall require, by an independent certified public accountant. Mortgagor shall furnish, together with the foregoing financial statements and at any other time upon Lender's request, a rent schedule for the Property, certified by Mortgagor, showing the name of each tenant, the space occupied, the lease expiration date, the rent payable and the rent paid and the amount and location of any security deposit. Mortgagor further covenants and agrees to furnish, or to cause to be furnished to Lender annually, within one hundred twenty days (120) days after the end of each calendar year, personal financial statements, within fifteen (15) days of filing, tax returns, and such other information at such time as may be reasonably required by Lender, of the Mortgagor and of all guarantors of the Loan, certified as true and correct by the appropriate parties.

4.12 FUNDS FOR TAXES, ASSESSMENTS AND INSURANCE PREMIUMS. Upon receipt of written demand therefor from Mortgagee, Mortgagor shall pay to Mortgagee on the day monthly installments of interest or principal and interest are payable under the Notes, until the Notes are paid in full, a sum equal to one-twelfth of the yearly taxes and assessments levied against the Mortgaged Property and one twelfth of the annual insurance premiums for all insurance required by Section 1.11 of this Mortgage, as estimated initially and from time to time by Mortgagee, to be applied by Mortgagee to pay said taxes, assessments and insurance premiums (such amounts being hereafter referred to as the "Funds"). Mortgagee shall apply the Funds to pay said taxes and assessments prior to the date that penalty attaches for nonpayment and the insurance premiums prior to the date any such policy of insurance lapses, so long as the amount of Funds held by Mortgagee is sufficient at that time to make such payments. No earnings or interest shall be payable to Mortgagor on the Funds. Such Funds shall not be, nor be deemed to be, trust funds, and Mortgagee shall have the right to hold the Funds in any manner Mortgagee elects and may commingle the Funds with other moneys held by Mortgagee. If the amount of the Funds held by Mortgagee shall exceed at any time the amount deemed necessary by Mortgagee to provide for the payment of taxes, assessments, and/or insurance premiums, such excess shall, at the option of Mortgagee, either be repaid to Mortgagor or be credited to Mortgagor on the next monthly installment of Funds due. If at any time the amount of the Funds held by Mortgagee shall be less than the amount deemed necessary by Mortgagee to pay taxes, assessments, and/or insurance premiums as they fall due, Mortgagor shall promptly pay to Mortgagee any amount necessary to make up the deficiency upon notice from Mortgagee to Mortgagor requesting payment thereof. The Funds are pledged as additional security for the Indebtedness Secured Hereby. Upon the occurrence of any event of default Mortgagee may apply in order as Mortgagee shall determine in

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its sole discretion, any Funds held by Mortgagee at the time of application to pay taxes and assessments which are then or will thereafter become due or as a credit against the Indebtedness Secured Hereby. The application thereof as aforesaid shall not cure or waive any defaults under this Mortgage nor in any way operate to prevent Mortgagee from pursuing any remedy which it may now or hereafter have under the terms of this Mortgage. Upon payment in full of all Indebtedness Secured Hereby, Mortgagee shall promptly refund to Mortgagor any Funds held by Mortgagee.

4.13 Environmental Compliance. Mortgagor hereby represents and warrants to Lender and covenants with Lender that:

(a) **Definitions.** For purposes of this Section 4.13:

i. "Property" means: The Property and Real Property including improvements presently and hereafter situated thereon or thereunder, construction material used in such improvements, surface and subsurface soil and water, areas leased to tenants, and all business uses and operations thereon.

ii. "Environmental Laws" means:

(A) any present or future federal statute, law, code, rule, regulation, ordinance, order, standard, permit, license, guidance document or requirement (including consent decrees, judicial decisions and administrative orders) together with all related amendments, implementing regulations and reauthorizations, pertaining to the protection, preservation, conservation or regulation of the environment, including but not limited to: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq. ("CERCLA"); the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. ("RCRA"); the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq. ("TOSCA"); the Clean Air Act, 42 U.S.C. Section 7401 et seq.; and the Clean Water Act, 33 U.S.C. Section 1251 et seq.;

(B) any present or future state or local statute, law, code, rule, regulation, ordinance, order, standard, permit, license or requirement (including consent decrees, judicial decisions and administrative orders) together with all related amendments, implementing regulations and reauthorizations, pertaining to the protection, preservation, conservation or regulation of the environment.

iii. "Hazardous Material" means:

(A) "hazardous substances" as defined by CERCLA;

(B) "hazardous wastes", as defined by RCRA;

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- (C) "hazardous substances", as defined by the Clean Water Act;
- (D) any item which is banned or otherwise regulated pursuant to TOSCA;
- (E) any item which is regulated by the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. 136 et seq.;
- (F) any item which triggers any thresholds regulated by or invoking any provision of the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. 11001 et seq.;
- (G) any hazardous, dangerous or toxic chemical, material, waste, pollutant, contaminant or substance ("pollutant") within the meaning of any Environmental Law prohibiting, limiting or otherwise regulating the use, exposure, release, emission, discharge, generation, manufacture, sale, transport, handling, storage, treatment, reuse, presence, disposal or recycling of such pollutant;
- (H) any petroleum, crude oil or fraction thereof;
- (I) any radioactive material, including any source, special nuclear or by-product material as defined at 42 U.S.C. Section 2011 et seq. and amendments thereto and reauthorizations thereof;
- (J) asbestos-containing materials in any form or condition; and
- (K) polychlorinated biphenyls ("PCBs") in any form or condition.

iv. "Environmental Actions" means:

(A) any notice of violation, complaint, claim, citation, demand, inquiry, report, action, assertion of potential responsibility, lien, encumbrance, or proceeding regarding the Property, whether formal or informal, absolute or contingent, matured or unmatured, brought or issued by any governmental unit, agency, or body, or any person or entity respecting:

(1) Environmental Laws;

(2) the environmental condition of the Property, or any portion thereof, or any property near the Property, including actual or alleged damage or injury to humans, public health, wildlife, biota, air, surface or subsurface soil or water, or other natural resources; or

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(3) the use, exposure, release, emission, discharge, generation, manufacture, sale, transport, handling, storage, treatment, reuse, presence, disposal or recycling of Hazardous Material either on the Property or off-site.

(B) any violation or claim of violation by Mortgagor of any Environmental Laws whether or not involving the Property;

(C) any lien for damages caused by, or the recovery of any costs incurred by any person or governmental entity for the investigation, remediation or cleanup of any release or threatened release of Hazardous Material; or

(D) the destruction or loss of use of property, or the injury, illness or death of any officer, director, employee, agent, representative, tenant or invitee of Mortgagor or any other person arising from or caused by the environmental condition of the Property or the release, emission or discharge of Hazardous Material from the Property.

(b) Mortgagor hereby represents and warrants to Lender that:

i. To the best of Mortgagor's knowledge, based on all appropriate and thorough inquiry, and except as disclosed to Lender in writing, the Property and the Mortgagor have been and currently are in compliance with all Environmental Laws. Except as disclosed to lender in writing, there have been, to the best of Mortgagor's knowledge based on all appropriate inquiry, no past, and there are no pending or threatened Environmental Actions to which Mortgagor is a party or which relate to the Property. All required governmental permits and licenses are in effect, and Mortgagor is in compliance therewith. Mortgagor has not received any notice of any Environmental Action respecting Mortgagor, the Property or any off-site facility to which has been sent any Hazardous Material for off-site treatment, recycling, reclamation, reuse, handling, storage, sale or disposal.

ii. No use, exposure, release, emission, discharge, generation, manufacture, sale, handling, reuse, presence, storage, treatment, transport, recycling or disposal of Hazardous Material has, to the best of Mortgagor's knowledge, based on all appropriate inquiry, occurred or is occurring on or from the Property except in compliance with Environmental Laws and as disclosed in writing to Lender ("Disclosed Material"). The term "released" shall include but not be limited to any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment (including the abandonment or discarding of barrels, containers and other receptacles containing any Hazardous Material). To the best of Mortgagor's knowledge, all Hazardous Material used, treated, stored, transported to or from, generated or handled on the Property has been disposed of on or off the Property in a lawful manner. To the best of Mortgagor's knowledge, no underground storage tanks (including but

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not limited to petroleum or heating oil storage tanks) are present on or under the Property, or have been on or under the Property except as has been disclosed in writing to Lender ("Disclosed Tanks").

(c) Mortgagor hereby covenants and agrees with Lender as follows:

i. The Property and Mortgagor shall comply with all Environmental Laws. All required governmental permits and licenses shall be obtained and maintained, and Mortgagor shall comply therewith. All Hazardous Material on the Property will be disposed of in a lawful manner without giving rise to liability under any Environmental Laws. Mortgagor will satisfy all requirements of applicable Environmental Laws for the registration, operation, maintenance, closure and removal of all underground storage tanks on the Property, if any. Without limiting the foregoing, all Hazardous Material shall be handled in compliance with all applicable Environmental Laws.

ii. Other than Disclosed Material, no Hazardous Material shall be introduced to or used, exposed, released, emitted, discharged, generated, manufactured, sold, transported, handled, stored, treated, reused, presented, disposed of or recycled on the Property without thirty (30) days' prior written notice to Lender.

iii. Mortgagor shall immediately notify Lender of all Environmental Actions and provide copies of all written notices, complaints, correspondence and other documents relating thereto within two business days of receipt, and Mortgagor shall keep Lender informed of all responses thereto. Mortgagor shall promptly cure and have dismissed with prejudice all Environmental Actions in a manner satisfactory to Lender and Mortgagor shall keep the Property free of any encumbrance arising from any judgment, liability or lien imposed pursuant to any Environmental Actions. Notwithstanding the foregoing sentence, Mortgagor may diligently, in good faith and by appropriate legal proceedings, contest such proceedings provided: (1) Mortgagor first furnishes to Lender such deposits or other collateral as Lender, in its sole discretion, deems sufficient to fully protect Lender's interests; (2) such contest shall have the effect of preventing any threatened or pending sale or forfeiture of all or any portion of the Property or the loss or impairment of Lender's lien and security interest in and to the Property; and (3) such contest will not cause Lender to incur any liability, in Lender's sole judgment. Mortgagor shall permit Lender, at Lender's option to appear in and to be represented in any such contest and shall pay upon demand all expenses incurred by Lender in so doing, including attorneys' fees.

iv. Mortgagor shall provide such information and certifications which Lender may reasonably request from time to time to monitor Mortgagor's compliance with this Section for the sole purpose of protecting Lender's security interest. To protect its security interest, Lender shall have the right, but not the obligation, at any time to enter upon the Property, take samples, review Mortgagor's books and

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records, interview Mortgagor's employees and officers, and conduct such other activities as Lender, at its sole discretion, deems appropriate. Mortgagor shall cooperate fully in the conduct of such an audit. If Lender decides to conduct such an audit because of: (1) an Environmental Action; (2) Lender's considering taking possession of or title to the Property after an Event of Default by Mortgagor; (3) a material change in the use of the Property, which in Lender's reasonable opinion, increases the risk to its security interest; or (d) the introduction of Hazardous Material other than Disclosed Material to the Property; then Mortgagor shall pay upon demand all costs and expenses connected with such audit, which, until paid, shall become additional indebtedness secured by the Loan Documents and shall bear interest at the default rate. Nothing in this Article shall give or be construed as giving Lender the right to direct or control Mortgagor's actions in complying with Environmental Laws.

v. Other than disclosed material there are no pending or threatened: (1) actions or proceedings from any governmental agency or any other entity regarding the condition or use of the Property, or regarding any environmental, health or safety law; or (2) "superfens" or similar governmental actions or proceedings that could impair the value of the Property, or the priority of the lien of this Mortgage or any of the other Loan Documents (collectively "Environmental Proceedings"). Mortgagor will promptly notify Lender of any notices, or other knowledge obtained by Mortgagor hereafter of any pending or threatened Environmental Proceedings, and Mortgagor will promptly cure and have dismissed with prejudice any such Environmental Proceedings to the satisfaction of Lender.

vi. Any fees, costs and expenses imposed upon or incurred by Lender on account of any breach of this Section shall be immediately due and payable by Mortgagor to Lender upon demand, and shall (together with interest thereon at the default rate accruing from the date such fees, costs and expenses are so imposed upon or incurred by Lender) become part of the indebtedness secured hereby. Mortgagor shall keep, save and protect, defend, indemnify and hold Lender harmless from and against any and all claims, loss, cost, damage, liability or expense, including reasonable attorneys' fees, sustained or incurred by Lender by reason of any Environmental Proceedings or the breach or default by Mortgagor of any representation, warranty or covenant contained in this Section.

(d) Lender is entitled to rely upon Mortgagor's representations, warranties and covenants contained in this Section despite any independent investigations by Lender or its consultants. Mortgagor shall take all necessary actions to determine for itself, and to remain aware of, the environmental condition of the Property. Mortgagor shall have no right to rely upon any independent environmental investigations or findings made by Lender or its consultants unless otherwise stated in writing therein and agreed to in writing by Lender.

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(e) The term "Lender's Environmental Liability" shall mean any and all losses, liabilities, obligations, penalties, claims, fines, lost profits, demands, litigation, defenses, costs, judgments, suits, proceedings, damages (including consequential, punitive and exemplary damages), disbursements or expenses of any kind or nature whatsoever (including attorneys' fees at trial and appellate levels and experts' fees and disbursements and expenses incurred in investigating, defending against, settling or prosecuting any suit, litigation, claim or proceeding) which may at any time be either directly or indirectly imposed upon, incurred by or asserted or awarded against Lender or any of Lender's parent and subsidiary corporations and their affiliates, shareholders, directors, officers, employees and agents (collectively Lender's "Affiliates") in connection with or arising from:

- i. any Hazardous Material used, exposed, emitted, released, discharged, generated, manufactured, sold, transported, handled, stored, treated, reused, presented, disposed of or recycled on, in or under all or any portion of the Property, or any surrounding areas;
- ii. any misrepresentation, inaccuracy or breach of any warranty, covenant or agreement contained or referred to in this Article;
- iii. any violation, liability or claim of violation or liability, under any Environmental Laws;
- iv. the imposition of any lien for damages caused by, or the recovery of any costs incurred for the cleanup of, any release or threatened release of Hazardous Material; or
- v. any Environmental Actions.

Mortgagor shall indemnify, defend (at trial and appellate levels and with counsel, experts and consultants acceptable to Lender and at Mortgagor's sole cost) and hold Lender and its affiliates free and harmless from and against Lender's Environmental Liability (collectively "Mortgagor's Indemnification Obligations"). Mortgagor's Indemnification Obligations shall survive in perpetuity with respect to any Lender's Environmental Liability.

Mortgagor and its successors and assigns hereby waive, release and agree not to make any claim or bring any cost recovery action against Lender under or with respect to any Environmental Laws. Mortgagor's obligation to Lender under this indemnity shall likewise be without regard to fault on the part of Mortgagor or Lender with respect to the violation or condition which results in liability to Lender.

4.14 Valid and Binding Agreement. Mortgagor covenants and warrants that this Mortgage is a valid and enforceable obligation of Mortgagor in accordance with its terms and that the performance by Mortgagor of the terms hereof does not contravene any covenant in any agreement, indenture or other document affecting Mortgagor.

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4.15 Waiver. To the full extent permitted by law, Mortgagor hereby covenants and agrees that it will not at any time insist upon or plead, or in any manner whatsoever claim or take any advantage of, any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force providing for the valuation or appraisal of the Property, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provisions herein contained, or to any decree, judgment or order of any court of competent jurisdiction; or after such sale or sales claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshalling thereof, upon foreclosure sale or other enforcement hereof. To the full extent permitted by law, Mortgagor hereby expressly waives any and all rights of redemption from under any order or decree of foreclosure of this Mortgage, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Mortgagor and on behalf of each and every person acquiring any interest in or title to the Property subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Mortgagor, and of all other persons, are and shall be deemed to be hereby waived to the full extent permitted by applicable law. To the full extent permitted by law, Mortgagor agrees that it will not, by involving or utilizing any applicable law or laws or otherwise, hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Lender, but will suffer and permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. To the full extent permitted by law, Mortgagor hereby agrees that no action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action upon the Notes.

4.16 Business Loan. Mortgagor hereby represents and warrants that it has been advised: (a) the proceeds of the indebtedness secured hereby (the "Loan") will be used for the purposes specified in 815 ILCS 205/4(1)(l) (1992 State Bar Edition) of the Illinois Compiled Statutes, as amended; (b) the Loan constitutes a "business loan" within the purview of that Section; (c) the Loan is a transaction exempt from the Truth in Lending Act, 15 U.S.C. Section 1601, et seq.; and (d) the proceeds of the indebtedness secured hereby will not be used for the purchase of registered equity securities within the purview of Regulation "U" issued by the Board of Governors of the Federal Reserve System.

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ARTICLE V

DEFAULT

5.01 Prohibitions on Transfer of the Property or of an Interest in Mortgagor. It shall be an immediate default if, without the prior written consent of Lender, which consent may be granted or withheld at Lender's sole discretion, Mortgagor shall create, effect or consent to or shall suffer or permit any lease, conveyance, sale (including an installment sale), assignment, transfer, lien, pledge, hypothecate, mortgage, security interest, or other encumbrance or alienation, whether by operation of law, voluntarily or otherwise (collectively "Transfer") of (1) the Property or any part thereof or interest therein; (2) all or a portion of the beneficial interest of Mortgagor or change in the power of direction, if Mortgagor is a trustee; (3) all or a portion of the stock of any corporate Mortgagor or corporate beneficiary of a trustee Mortgagor, that results or could result in a material change in the identity of the person(s) or entities previously in control of such corporation; (4) all or a portion of a partnership, or joint venture interest of a joint venturer in the joint venture, if Mortgagor or Mortgagor's beneficiary consists of or includes a partnership or joint venture, that results or could result in a material change in the identity of the person(s) in control of such partnership or joint venture; or (5) any majority member's interest or manager's interest, if Mortgagor is a limited liability company, (each of the foregoing is referred to as a "Prohibited Transfer"). In the event of such default, Lender may declare the entire unpaid balance, including interest, immediately due and payable. The foregoing provision of this Section 5.01 shall not, however, apply to the lien of current taxes and assessments not yet due and payable. This option shall not be exercised by Lender if prohibited by Federal law as of the date of this Mortgage.

5.02 Event of Default. Each of the following shall constitute an event of default ("Event of Default" or "Events of Default") under this Mortgage:

- (a) Mortgagor's failure to pay any amount due hereunder or secured hereby, or any installment of principal or interest when due and payable whether at maturity or by acceleration or otherwise under the Notes, this Mortgage or any other Loan Document;
- (b) Mortgagor's failure to perform or observe any other covenant, agreement, representation, warranty or other provision contained in the Notes, this Mortgage (other than an Event of Default described elsewhere in this Section 5.02) or any other document or instrument evidencing, guarantying or securing the amounts due under the Notes;
- (c) The occurrence of any breach of any material representation or warranty contained in this Mortgage or any other Loan Document;
- (d) A Prohibited Transfer occurs;
- (e) (i) Any bankruptcy, insolvency or receivership proceedings, or an assignment for the benefit of creditors, shall be commenced by the Mortgagors or the Guarantors under any federal or state law; or (ii) if an order for relief under any present or future federal

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- bankruptcy act or similar state or federal law shall be entered against the Mortgagors or the Guarantors, or if a petition or answer requesting or proposing the entry of such order for relief or the adjudication of the Mortgagors or the Guarantors as a debtor or a bankrupt or its or their reorganization under any present or future state or federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within sixty (60) days after the filing thereof; (iii) the Mortgagors or the Guarantors shall become the subject of any out-of-court settlement with substantially all of its creditors; or (iv) the Mortgagors or any Guarantor is unable or admits in writing its inability to pay its debts as they mature;
- (f) All or a substantial part of Mortgagor's assets are attached, seized, subjected to a writ or distress warrant, or are levied upon;
- (g) If Mortgagor is other than a natural person or persons: (i) the dissolution or termination of existence of Mortgagor, voluntarily or involuntarily, whether by reason of death of a general partner of Mortgagor or otherwise; (ii) the amendment or modification in any respect of Mortgagor's agreement of partnership or its articles of incorporation or bylaws or articles of organization or operating agreement that would affect Mortgagor's performance of its obligations under the Notes, this Mortgage or the other Loan Documents;
- (h) This Mortgage shall not constitute a valid lien on and security interest in the Property (subject only to the Permitted Exceptions), or if such lien and security interest shall not be perfected;
- (i) The Property is abandoned;
- (j) Any final judgment shall be obtained against the Mortgagors or the Guarantors which, together with all other outstanding unsatisfied judgments against the Mortgagors (or such Guarantor), shall exceed the sum of \$250,000 and shall remain unvacated, unbonded or unstayed for a period of 30 days following the date of entry thereon;
- (k) Mortgagor's or any Related Entity's or Mortgagor Affiliate's failure to pay Lender when due any amount payable under any other obligation of Mortgagor or any Related Entity or Affiliate of Mortgagor to Lender however created, arising or evidenced whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due, subject to applicable cure periods, if any. For purposes of this Mortgage, the Loan and the Loan Documents (i) a "Related Entity" shall be defined as Mortgagor or any Guarantor (as defined in the Guaranty of even date herewith) or any corporation, partnership, limited liability company or other entity owned or controlled by Mortgagor or any Guarantor or any combination of Mortgagor and Guarantors, and (ii) a "Mortgagor Affiliate" shall be defined as any general partner, venturer, controlling shareholder or manager of Mortgagor or a Guarantor of the obligations under the Loan; or
- (l) the death, legal incompetence or dissolution of any Guarantor, as applicable.

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ARTICLE VI

REMEDIES

6.01 Acceleration, Remedies. At any time after an Event of Default, Lender, at Lender's option, may declare all sums secured by this Mortgage and the other Loan Documents to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding.

Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including but not limited to, reasonable attorneys' fees and costs including abstracts and title reports all of which shall become a part of the secured indebtedness and immediately due and payable with interest at the Default Rate. The proceeds of any foreclosure sale of the Property shall be applied as follows: first, to all costs, expenses and fees incident to the foreclosure proceedings; second as set forth in the Notes; and third, any balance to Mortgagor.

6.02 Appointment of Receiver. Upon acceleration under Section 5.01, Section 6.01 or abandonment of the Property, and without further notice to Mortgagor, Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the Rents (as hereinafter defined) including those past due. The receiver shall have the power to collect the Rents from the time of acceleration through the pendency of any foreclosure proceeding and during the full statutory period of redemption, if any. All Rents collected by the receiver shall be applied as the appointing court may direct and, in the absence of such direction, first to payment of the costs and expenses of the management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then as provided in the Notes. The receiver shall be liable to account only for those Rents actually received.

6.03 Costs of Foreclosure. In case it becomes necessary for Lender to commence proceedings to foreclose this Mortgage or to commence any other suit in equity, action at law or other appropriate proceedings, to enforce its rights under this Mortgage, the Notes or any of the other Loan Documents, Mortgagor agrees to pay to Lender all costs of such suit, action or proceeding as well as all expenses incurred in procuring title insurance and the reasonable fees of Lender's attorneys in connection therewith, which costs and fees shall be included in the judgment in any such suit, action or proceeding.

6.04 Compliance with Illinois Mortgage Foreclosure Law. If any provision in this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-1101 et seq. (1992 State Bar Edition) of the Illinois Compiled Statutes) (the "Act") the provisions of the Act shall take precedence over the Mortgage provisions, but shall not invalidate or render unenforceable any other Mortgage provision that can be construed in a manner consistent with the Act. If any Mortgage provision shall grant to Lender any rights or remedies upon Mortgagor's default which are more limited than the rights that would otherwise be vested in Lender under the Act in the absence of such provision, Lender shall be vested with the rights granted in the Act to the full extent permitted by law. Without limiting the generality of the foregoing, all expenses incurred by Lender to the extent reimbursable under Sections 15-1510 and 15-1512 of

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the Act, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in Section 6.01 of this Mortgage, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

6.05 Remedies Cumulative. No remedy herein conferred upon or otherwise available to Lender is intended to be or shall be construed to be exclusive of any other remedy or remedies; but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein.

ARTICLE VII

ASSIGNMENT OF LEASES AND RENTS

All right, title and interest of Mortgagor in and to those leases, if any, listed on Exhibit C and all present and future leases affecting the Property, written or oral (collectively, "Leases"), and all rents, income, receipts, revenues, issues, avails and profits from or arising out of the Property (collectively "Rents") are hereby transferred and assigned to Lender as further security for the payment of the indebtedness under the Notes, this Mortgage and the Loan Documents, and Mortgagor hereby grants a security interest to Lender in and to the same. Mortgagor shall submit all future Leases affecting the Property to Lender for its approval prior to execution, and all approved and executed Leases shall be specifically assigned to Lender by an instrument satisfactory to Lender. Each Lease shall, at the option of Lender, be paramount or subordinate to this Mortgage. Mortgagor shall furnish Lender with executed copies of each Lease and with estoppel letters from each tenant, which estoppel letters shall be in a form satisfactory to Lender.

If without Lender's prior written consent, Mortgagor: (i) as landlord, fails to perform and fulfill any term, covenant, or provision in any Lease; (ii) suffers or permits to occur any breach or default under the provisions of any separate assignment of any Lease given as additional security for the indebtedness under the Notes, this Mortgage and the Loan Documents; (iii) fails to fully protect, insure, preserve, and cause continued performance or fulfillment of the terms, covenants, or provisions, which are required to be performed by the tenant or the landlord of any other Lease or Leases hereafter assigned to Lender; (iv) cancels, terminates, or materially amends or modifies any Lease; (v) permits or approves an assignment by tenant of a Lease or a subletting of all or any part of the Premises demised in the Lease; or (vi) enters into Lease(s) on lease form(s) not previously approved by Lender in writing; such occurrence shall constitute an Event of Default hereunder.

Lender shall have the right to assign Mortgagor's right, title and interest in any Leases to any subsequent holder of this Mortgage or the Notes and the other Loan Documents or to any person acquiring title to all or any part of the Property through foreclosure or otherwise.

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Upon an Event of Default, this Mortgage shall constitute a direction to each tenant under the Leases and each guarantor thereof, if any, to pay all Rents directly to Lender without proof of the Event of Default. Lender shall have the authority, as Mortgagor's attorney-in-fact (such authority being coupled with an interest and irrevocable) to sign the name of Mortgagor and to bind Mortgagor on all papers and documents relating to the operation, leasing and maintenance of the Property. While this assignment is a present assignment, Lender shall not exercise any of the rights or powers conferred upon it by this Section until an Event of Default shall occur under this Mortgage.

If Mortgagor, as landlord, shall neglect or refuse to perform and keep all of the covenants and agreements contained in the Lease or Leases, then Lender may perform and comply with any such Lease covenants and agreements. All related costs and expenses incurred by Lender shall become a part of the indebtedness secured hereby and shall be due and payable upon demand by Lender with interest thereon accruing thereafter at the default rate.

Lender, however, shall not be obligated to perform or discharge any obligation, duty or liability under any Lease. Mortgagor shall defend, protect, indemnify and hold Lender harmless from and against any and all liability, loss or damage to Lender under the Leases or under or by reason of their assignments and of and from any and all claims and demands whatsoever which may be asserted against Lender by reason of all alleged obligations or undertakings on its part to perform or discharge any Lease terms, covenants or agreements. The amount of any such liability, loss or damage arising under the Leases or under or by reason of their assignment, or in the defense of any claims or demands, including costs, expenses and reasonable attorneys' fees, incurred by Lender shall be a part of the indebtedness secured hereby due and payable upon demand with interest thereon accruing thereafter at the default rate.

ARTICLE VIII

SECURITY AGREEMENT

Without limiting any other provisions of this Mortgage, this Mortgage constitutes a Security Agreement under the Uniform Commercial Code of the State of Illinois (herein called the "Code") with respect to all fixtures, apparatus, equipment or articles and all replacements and substitutions, owned by Mortgagor, now or hereafter located on the Property as set forth in the description of the Property above, including but not limited to the air-conditioning, heating, gas, water, power, light, refrigeration, and ventilation systems which are presently located at the Property, and with respect to all funds and other sums which may be deposited with Lender pursuant hereto and those items set forth on Exhibit D attached hereto and made a part hereof (all for the purposes of this paragraph called "Collateral"), and Mortgagor hereby grants to Lender a security interest in such Collateral. All of the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Property. When the indebtedness secured hereby shall become due, whether by acceleration or otherwise, Lender shall have all remedies of a secured party under the Code. This Mortgage is intended to be a financing statement with respect to any

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other Collateral which constitutes "fixtures" within the meaning of the Code. Mortgagor hereby authorizes and directs Lender to file additional Uniform Commercial Code financing statements, if desired by Lender, to additionally perfect the security interest in the Collateral as well as any Uniform Commercial Code financing statement evidencing any extensions or amendments thereto. Any Code requirement for reasonable notice shall be met if such notice is delivered as provided herein at least five (5) days prior to the time of any sale, disposition, or other event or matter giving rise to the notice (which period of time and method of notice is agreed to be commercially reasonable).

ARTICLE IX

GENERAL

9.01 Notices. Any notice required or permitted to be delivered under this Mortgage or under any of the Loan Documents by either party to the other shall be given in writing and given by personal delivery to Mortgagor (in the case of notice to Mortgagor) or to Lender (in the case of notice to Lender) or by registered or certified mail, mailed postage prepaid, return receipt requested, to the parties at their addresses set forth below:

To Mortgagor:

Northshore Center THC, LLC
3100 Dundee Road, Suite 107
Northbrook, IL 60062
Attn: Edward Renko

With a copy to:

Levenfeld Peavlstien
2 North LaSalle, Ste 1300
Chicago, IL 60602
Attention: Darryl Jacobs

To Lender:

BANKFIRST
150 South Fifth Street, Suite 3000
Minneapolis, MN 55402
Attn: Richard Lerew

Notice shall be deemed delivered upon the date of personal delivery (in the case of notice given by personal delivery) or on the date of deposit into the United States mail, with sufficient postage affixed (in the case of notice given by registered or certified mail). Either party may change the address to which notices shall be sent by giving notice to the other pursuant to this Section 9.01.

9.02 Governing Law: Venue. This Mortgage shall be construed and enforced according to the laws of the State of Illinois.

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9.03 Successors and Assigns: Partial Invalidity. All covenants and agreements in this Mortgage contained by or on behalf of either of the parties hereto shall be binding upon and shall inure to the benefit of the respective successors and assigns of Mortgagor and Lender. Invalidation of part or all of any one of the covenants herein contained by judgment or court order shall not affect any of the other provisions, which shall remain in full force and effect.

9.04 Mortgagor and Lien not Released. From time to time, Lender may, at its option, without giving notice to or obtaining the consent of Mortgagor, Mortgagor's successors or assigns or of any junior lienholder or guarantors, without liability on Lender's part and notwithstanding Mortgagor's breach of any covenant or agreement of Mortgagor in this Mortgage, extend the time for payment of the indebtedness evidenced by the Notes or any part thereof, reduce the payments thereon, release anyone liable on any of said indebtedness, modify the terms and time of payment of said indebtedness, release from the lien of this Mortgage any part of the Property, take or release other or additional security, reconvey any part of the Property, consent to any plat or plan of the Property, consent to the granting of any easement, join in any extension or subordination agreement and agree in writing with Mortgagor to modify the terms or conditions of the Notes or change the amount of the installments payable thereunder. Any actions taken by Lender pursuant to the terms of this Section 9.04 shall not affect the obligation of Mortgagor or Mortgagor's successors or assigns to pay the sums secured by this Mortgage and to observe the covenants of Mortgagor contained herein, shall not affect the guaranty of any person, corporation, partnership or other entity for payment of the indebtedness secured hereby and shall not affect the lien or priority of lien hereof on the Property. Mortgagor shall pay Lender a reasonable service charge, together with such title insurance premiums and attorneys' fees as may be incurred at Lender's option, for any such action if taken at Mortgagor's request.

9.05 Forbearance by Lender not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The acceptance by Lender of payment of any sum secured by this Mortgage after the due date of such payment shall not be a waiver of Lender's rights to either require prompt payment when due or all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage, nor shall Lender's receipt of any awards, proceeds or damages under Section 4.02 or Section 4.04 hereof operate to cure or waive Mortgagor's default in payment of sums secured by this Mortgage.

9.06 Estoppel Certificate. Mortgagor shall within ten (10) days of a written request from Lender furnish Lender with a written statement, duly acknowledged, setting forth the sums secured by this Mortgage and any right of set-off, counterclaim or other defense which exists against such sums and the obligations of this Mortgage or the other Loan Documents.

9.07 Release. Upon payment of the all the indebtedness secured hereby, Lender shall release this Mortgage upon payment by Mortgagor of all costs and fees to release same, if any. Mortgagor shall be responsible for recording the release, including all related costs of recordation.

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IN WITNESS WHEREOF, Mortgagor has executed this Mortgage on the date first above written.

NORTHSHORE CENTER THC, LLC
an Illinois limited liability company

By: Northshore Center, LP
an Illinois limited Partnership
Its: Manager

By: NS Center GP, LLC
an Illinois limited liability company
Its: General Partner

By: Northshore Center, GP, Inc.
Its: Manager

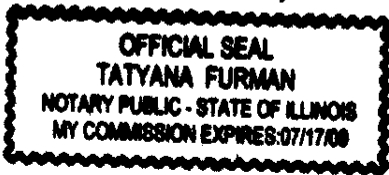
By: S. Furman
Name: Edward Renko
Its: President

Property of Cook County Office

STATE OF ILLINOIS)
COUNTY OF Cook) ss.

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that EDWARD RENKO the PRESIDENT of Northshore Center THC, LLC, an Illinois limited liability company, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed and delivered the said instrument, on behalf of the company and as his/her free and voluntary act and as the free and voluntary act of the company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 29th day of June, 2006



Tatyana Furman
Notary Public

My Commission Expires: 07/17/2009

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THIS INSTRUMENT DRAFTED BY
BANKFIRST
150 South Fifth Street, Suite 3000
Minneapolis, MN 55402



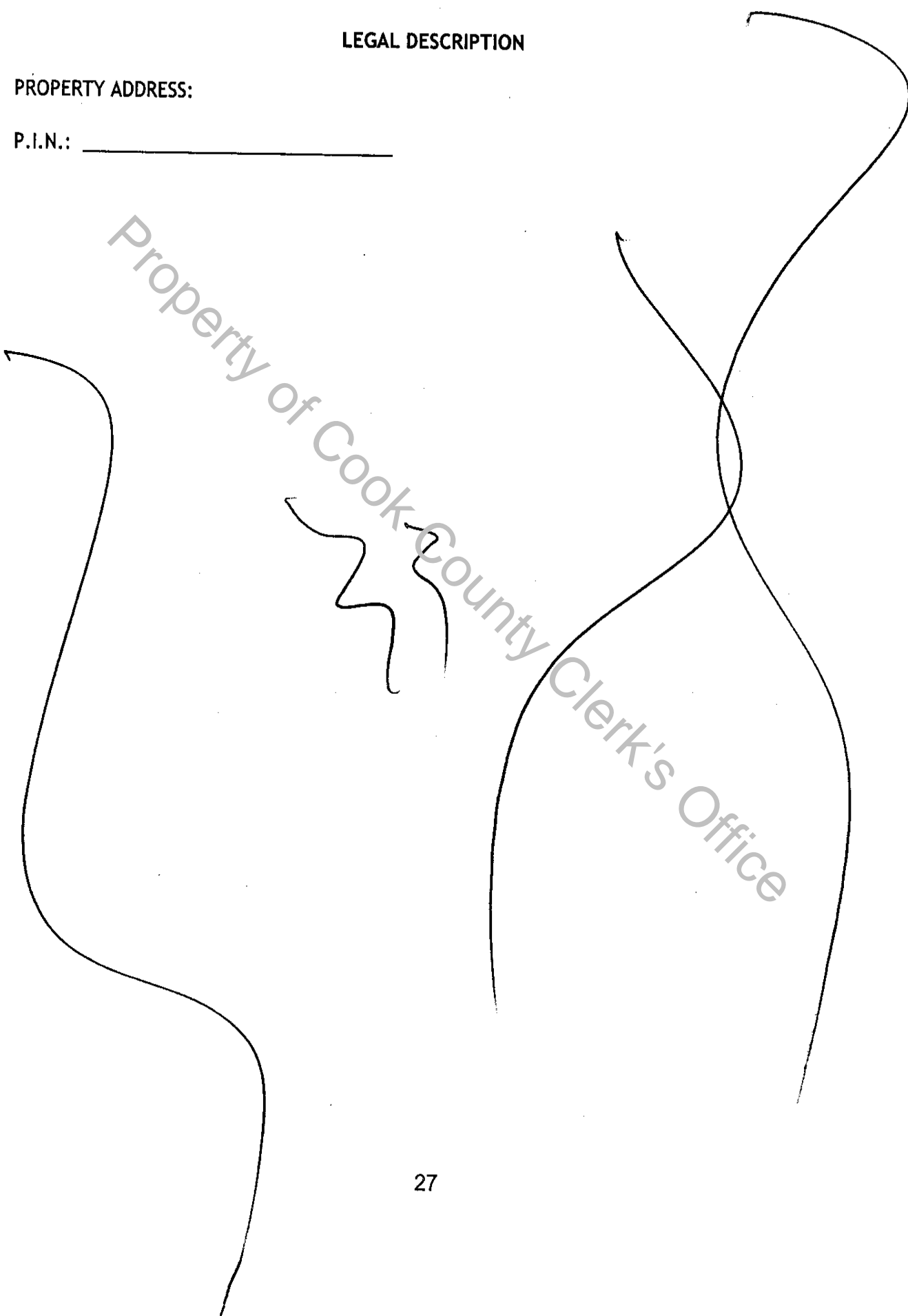
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EXHIBIT A

LEGAL DESCRIPTION

PROPERTY ADDRESS:

P.I.N.: _____



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EXHIBIT B

PERMITTED EXCEPTIONS



Property of Cook County Clerk's Office

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EXHIBIT C

LEASES

None

Property of Cook County Clerk's Office

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EXHIBIT D

DESCRIPTION OF COLLATERAL

All of the following, whether now existing or hereafter acquired, with respect to the real estate (the "property") described on Exhibit "A" attached hereto and made a part hereof:

- (1) all goods located on the property and used in the operation or occupancy of the property or in any construction on the property, including but not limited to all appliances, furniture and furnishings, building service equipment, and building materials, supplies and equipment (but excluding trade fixtures, inventories and equipment owned by tenants);
- (2) all fixtures, apparatus, equipment or articles now or hereafter on said property used to supply heat, gas, air conditioning, water, light, power, sprinkler protection, smoke detectors, waste removal, refrigeration and ventilation (whether single units or centrally controlled);
- (3) all bathroom fixtures and sinks;
- (4) all general intangibles relating to the development or use of the property, including but not limited to all construction contracts, architectural agreements, plans and specifications, governmental permits relating to construction on the property, all names under or by which the property or any improvements on the property, all names under or by which the property or any improvements on the property may at any time be operated or known, and all rights to carry on business under any such names or any variant thereof, and all trademarks and goodwill in any way relating to the Property;

and all replacements thereof, substitutions therefore, additions thereto and the proceeds thereof.

This Description of Collateral also includes (i) the deposits held by Mortgagee, as secured party, including monies, deposits and credits of Mortgagor, as debtor, with the Mortgagee, real estate tax, special assessment and hazard insurance premium impounds or escrows held by Mortgagee or its designee, and hazard insurance proceeds and eminent domain or condemnation awards; (ii) the rents, leases, income and profits of the property; and (iii) all tenant security deposits, utility deposits and insurance premium rebates which pertain in any way to the property.