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Illinois Anti-Predatory Lending Database Program



0930745068

Certificate of Exemption

Doc#: 0930745068 Fee: \$102.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 11/03/2009 10:59 AM Pg: 1 of 34
35

Report Mortgage Fraud
800-532-8785

The property identified as: PIN: 17-18-120-089-0000

Address:

Street: 2301-59 W. Jackson Blvd.

Street line 2:

City: Chicago

State: IL

ZIP Code: 60612

Lender: SP Insurance Company, Inc.

Borrower: Chicago Title Land Trust Company, not personally, but as trustee under the provisions of a certain trust agreement dated the 24th day of July, 2009 and known as Trust Number 8002353453 and Colonial Point, L.L.C., a Wisconsin limited liability company, and Colonial Point II, L.L.C., a Wisconsin limited liability company

Loan / Mortgage Amount: \$1,500,000.00

This property is located within Cook County and the transaction is exempt from the requirements of 765 ILCS 7770 et seq. because the application was taken by an exempt entity.

Certificate number: 9A21786A-3747-47B3-B553-C7EB0ED27592

Execution date: 10/26/2009

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This Mortgage was prepared by
 And after recording, return to:
 Gerald F. Lerman
 Steel Warehouse Company LLC
 2722 W. Tucker Drive
 South Bend, Indiana 46619

**SECONDARY MORTGAGE, SECURITY AGREEMENT
 AND ASSIGNMENT OF RENTS AND LEASES**

This Secondary Mortgage, Security Agreement and Assignment of Rents and Leases ("Mortgage") is made and entered into as of this 26th day of October, 2009, by and among CHICAGO TITLE LAND TRUST COMPANY ("Trustee"), not personally, but as Trustee under the provisions of a certain Trust Agreement dated the 24th day of July, 2009 ("Trust Agreement"), and known as Trust Number 8002353453 (the "Trust"), whose address is 171 North Clark Street, Suite 575, Chicago, Illinois 60601 and COLONIAL POINT, L.L.C., a Wisconsin limited liability company ("Colonial Point I") and COLONIAL POINT II, L.L.C., a Wisconsin limited liability company ("Colonial Point II") (Colonial Point I and Colonial Point II are hereinafter collectively referred to as the "Beneficiaries"), in favor of SP INSURANCE COMPANY, INC., an Indiana corporation ("Mortgagee"), whose principal office is 2722 W. Tucker Drive, South Bend, Indiana 46619. U387829 PH

WITNESSETH:

WHEREAS, Trustee is the title holder of certain real estate located at and commonly known as St. Stephens Terrace Apartments, in the County of Cook, Illinois, as described on Exhibit A, attached hereto and by this reference made a part hereof, and all easements and similar rights and privileges appurtenant to and in favor of said real estate (said real estate, easements, rights and privileges are hereinafter collectively referred to as the "Real Estate"), free and clear of any and all liens, encumbrances and charges of any kind, except only the liens and encumbrances set forth in Exhibit B, attached hereto and made a part hereof ("Permitted Exceptions");

WHEREAS, Mortgagors have concurrently herewith executed and delivered the Secondary Mortgage Note in the amount of \$1,500,000.00 ("Loan"), which Note, together with all interest and other amounts payable thereon or as provided therein, is made payable to the order of Mortgagee, in and by which said Note Mortgagors promise to pay the said principal sum and interest thereon at the rate and in installments as therein provided, with a final payment of the entire principal balance of the Loan, together with unpaid and accrued interest thereon and any other amounts payable thereunder, being due and payable on the Maturity Date; all of the terms and provisions of said Note are hereby incorporated herein by this reference; and

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WHEREAS, the Note provides by its terms that as long as the Secretary of Housing and Urban Development or its successors or assigns is the insurer or holder of a mortgage on the property secured hereby and known as the Stephens Terrace Apartments, FHA Project No. 071-44108, any payments due from project income under the Note shall be payable only from "Surplus Cash" of the project, as that term is defined in the Regulatory Agreement dated August 1, 1983 between the Secretary of Housing and Urban Development and St. Stephen Terrace Corporation, an Illinois not-for-profit corporation (the "Regulatory Agreement");

WHEREAS, the Mortgagee, for itself and its successors and assigns, covenants and agrees that all of its rights and powers under this Mortgage are subordinate and subject to the rights of Wells Fargo Bank, N.A. (together with its successors and assigns, the "Senior Mortgagee"), the assignee of that certain Mortgage dated August 1, 1977 and recorded August 19, 1977 as Document No. 24066337 and filed as Document LR2960833 originally made by St. Stephen Terrace Corporation to Banco Mortgage Co., as modified, amended and assigned, including pursuant to the terms of an assignment of record to Wells Fargo Bank, N.A. recorded June 22, 2007 as Document No. 0717316073.

NOW, THEREFORE, Mortgagors, to secure the payment of said Loan, interest thereon and other sums in strict accordance with the terms, provisions and limitations of this Mortgage, and of the Note secured hereby, and to secure any other indebtedness of Mortgagors to Mortgagee now or hereafter owing, howsoever incurred, evidenced, or otherwise secured, and to secure any future advances of any indebtedness evidenced or to be evidenced by the Note, and to secure any renewals and extensions of any of the indebtedness hereby secured (collectively sometimes referred to hereinafter as the "Indebtedness Hereby Secured"), and also in consideration of the sum of One Dollar (\$1.00) in hand paid, the receipt whereof is hereby acknowledged, do by these presents GRANT, ALIEN PLEDGE, MORTGAGE, CONVEY AND WARRANT TO MORTGAGEE, its successors and assigns, the Real Estate legally described on Exhibit A.

TOGETHER WITH all improvements, easements, rights of way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way belonging, relating or appertaining to the Real Estate, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Mortgagors, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, rights, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, of Mortgagors of, in and to the same.

TOGETHER WITH all rents to be applied against the Indebtedness Hereby Secured.

TOGETHER WITH all rights, title and interest of Mortgagors in and to any and all leases, together with all security therefor and all monies payable thereunder, and guaranties thereof.

TOGETHER WITH all fixtures and articles of personal property now or hereafter owned by Mortgagors and forming a part of or used in connection with the Real Estate or the improvements or the operation thereof.

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TOGETHER WITH all proceeds of the foregoing, subject to the provisions hereinafter set forth, including without limitation all judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the Real Estate or any portion thereof under the power of eminent domain, any proceeds of any policies of insurance maintained with respect to the Real Estate or proceeds of any sale, option or contract to sell the Real Estate or any portion thereof; and, subject to the prior rights of the Senior Mortgagee and to the provisions of Section 2, below, Mortgagors hereby authorize, direct and empower Mortgagee, at Mortgagee's option, on behalf of Mortgagors, or the successors or assigns of Mortgagors, to adjust, compromise, claim, collect and receive such proceeds, to give proper receipts and acquittances therefor, and, after deducting all costs and expenses of collection, to apply the net proceeds as a credit upon any portion, as selected by Mortgagee, of the Indebtedness Hereby Secured, notwithstanding the fact that the same may not then be due and payable or that the Indebtedness Hereby Secured is otherwise adequately secured.

TO HAVE AND TO HOLD the Real Estate, with said buildings, improvements, fixtures, appurtenances, apparatus, equipment and personal property, and with all the rights and privileges thereunto (collectively, the "Project") belonging unto said Mortgagee, its successors and assigns forever, for the uses herein set forth.

PROVIDED, NEVERTHELESS, that if Mortgagors shall pay in full when due the Indebtedness Hereby Secured and shall duly, completely and timely perform and observe all of the terms, provisions, covenants, and agreements herein and in the Note and provided to be performed and observed by the Mortgagors, then this Mortgage and the estate, right, and interest of Mortgagee in the Real Estate and the Project shall cease and become void and of no effect.

Mortgagor FURTHER COVENANTS AND AGREES AS FOLLOWS:

1. Definitions – Incorporation.

- a. Each capitalized term used herein as a defined term and not otherwise defined herein shall have the meaning ascribed to it in the Note.
- b. The foregoing recitals and the aforesaid definitions are hereby incorporated as if fully rewritten.

2. **A. Payment of Indebtedness.** Subject to the rights of the Senior Mortgagee and to the provisions at Sections 2B, 2C and 2D hereof, Mortgagor shall: (a) pay when due the Indebtedness Hereby Secured, and (b) duly, completely and punctually perform and observe all of the terms, provisions, conditions, covenants, and agreements on Mortgagor's part to be performed or observed as provided in the Note and this Mortgage.

B. Payments Made from Surplus Cash. As long as the Secretary of Housing and Urban Development, or his successors or assigns, is the insurer of the holder of the Mortgage on the St. Stephens Terrace Apartments, FHA Project No. 071-44108, any payments due from project income under the Note and secured by this Mortgage shall be payable only from "Surplus Cash" of the said project, as that term is defined in the Regulatory Agreement dated August 1, 1983 between the Secretary of Housing and Urban Development and St. Stephen Terrace Corporation, an Illinois not-for-profit corporation (the "Regulatory Agreement"). The restriction

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on payment imposed by this paragraph shall not excuse any default caused by the failure of the Mortgagors to pay the indebtedness evidenced by the Note.

C. Subordination. Mortgagee, for itself and its successors and assigns, covenants and agrees that all of its rights and powers under this Mortgage are subordinate and subject to the rights of the Senior Mortgagee as the assignee under that certain Mortgage dated August 1, 1977 and recorded August 19, 1977 as Document No. 24066337, as amended (the "Senior Mortgage") and to the rights of the Secretary of Housing and Urban Development (the "Secretary") under the Regulatory Agreement. In no event may this Mortgage be foreclosed upon without the prior written consent of the Secretary.

D. Prohibition Against Attaching or Assigning Rents and Other Income. Mortgagee, for itself and its successors and assigns, covenants and agrees that in the event of the appointment of a receiver or of the appointment of the Mortgagee as mortgagee in possession in any action by the Mortgagee, its successors and assigns, to foreclose the Mortgage, no rents, revenues or other income of the Project collected by the receiver or by the mortgagee in possession shall be utilized for the payment of interest, principal or any other charges due and payable under this Mortgage, except from Surplus Cash available for distribution, if any, as the term is defined in the Regulatory Agreement; and further, the receiver or mortgagee in possession shall operate the Project in accordance with all the provisions of the Senior Mortgage and the Regulatory Agreement.

E. Acquisition of Property by Secretary of Housing and Urban Development by Deed in Lieu of Foreclosure. In the event the Secretary of Housing and Urban Development (the "Secretary") acquires title to the Project by deed in lieu of foreclosure, the lien of this Mortgage will automatically terminate subject to the conditions hereinafter described. The holder of this Mortgage may cure a default under the Senior Mortgage prior to conveyance by deed in lieu of foreclosure. The Secretary shall give written notice to the holder of this Mortgage of a proposed tender of title in the event (1) the Secretary decides to accept a deed in lieu of foreclosure or (2) the Secretary receives notice from the holder of the Senior Mortgage of its election to accept a deed in lieu of foreclosure. The Secretary will give such written notice if, at the time of the placing of this subordinate lien against the Project, the Secretary receives a copy of an endorsement to the title policy of the Mortgagor or holder of the Senior Mortgage which indicates that; (1) the Second Mortgage has been recorded; and (2) the Secretary is required to give notice of any proposed election to or tender of a deed in lieu of foreclosure. Such notice shall be given at the address stated herein or such other address as may subsequently, upon written notice to the Secretary, be designated by the holder of this Mortgage as its legal business address. The Mortgagee shall have thirty (30) days to cure the default after notice of intent to accept a deed in lieu of foreclosure is mailed.

3. A. Maintenance, Repair, Compliance with Law, Use, Etc.

Mortgagors shall: (a) promptly repair, restore, replace or rebuild any portion of the improvements comprising the Project ("Improvements") which may become damaged or be destroyed; (b) keep the Project and all portions thereof in good condition and repair, free from waste; (c) cause to be paid all operating costs of the Project; (d) comply with all applicable laws; (e) refrain from any action and promptly correct any condition which could increase the risk of

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fire or other hazard to the Improvements or any portion thereof; (f) comply with all restrictions and covenants of record with respect to the Project and the use thereof, and observe and comply with any conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including without limitation zoning variances, special exceptions and nonconforming uses), privileges, franchises and concessions that are applicable to the Project or its use and occupancy; and (g) pay, when due, as provided herein, any indebtedness which may be secured by a lien or charge on the Project.

B. Representations, Warranties, Agreements and Covenants.

Mortgagors covenant, agree, represent and warrant to Mortgagee as follows:

(i) Mortgagors now have and hereafter shall maintain the standing, capacity, right, power and lawful authority to own the Project, to carry on the business of and operate the Project, to enter into, execute and deliver to Mortgagee the Note and this Mortgage, to encumber the Project to Mortgagee as provided herein and to perform all of Mortgagors' obligations and to consummate all of the transactions described in or contemplated by the Note and this Mortgage.

(ii) The execution, delivery and performance by Mortgagors of and under this Mortgage and the Note does not and will not constitute a violation of any laws applicable to the Project and does not and will not conflict with or result in a default or breach of or under or an acceleration of any obligation arising, existing or created by or under any agreement, instrument, document, mortgage, deed, trust deed, note, judgment, order, award, decree or other restriction to which Mortgagors, is a party or by which Mortgagors, are bound or any law or regulatory provision affecting Mortgagors.

(iii) Mortgagors now possess and hold and at all times hereafter shall maintain adequate properties, interests in properties, leases, licenses, franchises, rights and governmental and other permits, certificates, consents and approvals to conduct and operate the Project as presently conducted thereon, and none of the foregoing contains or shall contain any term or condition materially burdensome or materially different than those possessed or held by other parties conducting or operating a similar business.

(iv) No default or breach has occurred and at all times hereafter no default or breach will occur under any agreement, instrument or document for borrowed money by which Mortgagors are or will be bound or obligated, which default or breach has not or will not be cured within the time specified for the cure thereof.

(v) Except as disclosed by Mortgagors to Mortgagee, in writing, prior to the date hereof, the leases of any units within the Project ("Leases") are, and at all times hereafter shall remain, genuine and in all respects what they purport to be and all of the Leases are valid and enforceable in accordance with their terms. Except as heretofore disclosed to and approved, in writing by Mortgagee, no payments under the Leases have been made or are permitted to be made more than thirty (30) days in advance.

(vi) Subject to the restrictions on payment from Surplus Cash, the Loan, interest and interest rate, together with any and all fees, charges and other payments under this Mortgage and the Note are not in violation of any applicable statutes, case law, rules,

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regulations, ordinances or other governmental requirements, including, without limitation, applicable usury laws.

(vii) The Project shall be managed and operated at all times by Beneficiaries or a management company designated by Beneficiaries.

(viii) Mortgagors shall indemnify and hold Mortgagee harmless, to the full extent allowed by law, from and against any and all damages, loss, cost and expense, including, but not limited to, reasonable attorneys' fees, costs and expenses, incurred by reason of or arising from or on account of or in connection with (A) any claims for brokerage commissions or finders' fees arising out of Mortgagors' conduct or alleged conduct, or (B) any suit or proceeding, threatened, filed and/or pending, in or to which Mortgagee is or may become or may have to become a party by reason of or arising from or on account of or in connection with the Indebtedness Hereby Secured, the Project or any of the documents evidencing this Loan, provided however, Mortgagors shall not be required to either indemnify or hold Mortgagee harmless for any damages, losses, costs or expenses of Mortgagee resulting solely from the gross negligence or willful misconduct of Mortgagee.

(ix) Without limiting the effect of any of the foregoing, the covenants, representations, and warranties set forth in this Mortgage shall be continuing and shall remain true and correct until the lien of this Mortgage is released.

4. Liens.

A. Prohibition. Subject to the provisions of Section 4B and 5B, hereof, Mortgagors shall not without the prior written consent of the Mortgagee create or suffer or permit any encumbrances, excepting only (a) liens securing the Indebtedness Hereby Secured, (b) the lien of real estate taxes and assessments not due and payable, and (c) the Permitted Exceptions.

B. Contest of Mechanic's Lien Claims. Notwithstanding the foregoing prohibition against liens, Mortgagors, or any party obligated to Mortgagors to do so, may in good faith and with reasonable diligence contest the validity or amount of any so-called mechanic's lien and defer payment and discharge thereof during the pendency of such contest, provided: (i) that such contest shall have the effect of preventing the sale or forfeiture of the Project or Improvements or any part thereof, or any interest therein, to satisfy such mechanic's lien; and (ii) that, within thirty (30) days after Mortgagors have notice of the filing of such mechanic's lien, Mortgagors shall have notified Mortgagee, in writing, of Mortgagors' intention to contest such mechanic's lien or to cause another party to contest such mechanic's lien.

5. Taxes, Liens, Insurance - Coverage Premiums and Deposits.

A. Payment. Mortgagors shall pay or cause to be paid when due and before any penalty attaches, all Taxes, whether or not assessed against Mortgagors, and shall discharge any claim or lien relating to Taxes upon the Real Estate or Improvements. Nothing in this section shall require Mortgagors to pay any income, franchise, or excise tax imposed upon the Mortgagee, excepting any such tax which may be levied against such income expressly as and for a specific substitute, in whole or in part, for Taxes, and then only in an amount computed as if the Mortgagee derived no income from any source other than its interest hereunder.

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B. Contest. Mortgagors may, in good faith and with reasonable diligence, contest or cause to be contested the validity or amount of any such Taxes, provided that:

(i) such contest shall have the effect of preventing the collection of the Taxes so contested and the sale or forfeiture of the Project or any part thereof or interest therein to satisfy the same;

(ii) Mortgagors have notified Mortgagee in writing of the intention of Mortgagors to contest the same or to cause the same to be contested before any Tax has been increased by any interest, penalties, or costs; and

(iii) Mortgagors have deposited or caused to be deposited with either (i) a title insurance company acceptable to Mortgagee; or (ii) Mortgagee, at such place as Mortgagee may from time to time in writing designate, a sum of money, bond, letter of credit or other security that, when added to the monies or other security, if any, deposited with said title insurance company or Mortgagee is sufficient to pay in full such contested Taxes and all penalties and interest that is reasonably likely to become due thereon, and shall keep on deposit an amount sufficient to pay in full such contested Tax.

C. Change in Tax Laws. If, by the laws of the United States of America, or of any state or municipality having jurisdiction over Mortgagee, Mortgagors or the Project, any tax is imposed or becomes due in respect of the issuance of the Note or the recording of this Mortgage, Mortgagors shall pay such tax in the manner required by such law. If any law, statute, rule, regulation, order or court decree has the effect of deducting from the value of the Real Estate or Improvements for the purpose of taxation any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes required to be paid by the Mortgagors, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the interest of Mortgagee in the Project, or the manner of collection of taxes, so as to affect this Mortgage, the Indebtedness Hereby Secured, Mortgagee or the Note then, and in any such event, Mortgagors, upon demand by Mortgagee, shall pay such taxes, or reimburse Mortgagee therefor on demand.

D. Insurance Coverage. Mortgagor will insure the Project against such perils and hazards, and in such amounts and with such limits, as is required by the holder of any first mortgage against the Project.

E. Insurance Policies. All Insurance Policies shall be in such form and amounts and written by such insurance companies as are customary. Subject to the prior rights of the Senior Mortgagee, all insurance policies insuring against casualty, rent loss and business interruption and other appropriate policies shall include non contributing mortgage endorsements in favor of and with loss payable to Mortgagee, as its interest may appear as the holder of this Mortgage, as well as standard waiver of subrogation endorsements. All of the Insurance Policies shall provide that the coverage shall not be terminated or materially modified without thirty (30) days' advance written notice to Mortgagee and shall provide, subject to the prior rights of the Senior Mortgagee, that all claims shall be paid to Mortgagee. Mortgagor will deliver to Mortgagee certificates or other evidence of insurance confirming the effectiveness of the insurance required hereby. Mortgagors will deliver certificates for any renewal or replacement policies not less than

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thirty (30) days prior to the date of expiration thereof, exclusive of any grace period provided in the policy or by law. The requirements of the preceding sentence shall apply to any separate policies of insurance taken out by Mortgagors concurrent in form or contributing in the event of loss with the applicable insurance policies.

F. **Notice of Loss.** Mortgagors will give Mortgagee prompt notice of any loss or damage to the Project, and proceeds.

6. **Condemnation and Eminent Domain.**

Mortgagor shall give Mortgagee prompt notice of the actual or threatened commencement of any condemnation or eminent domain proceedings ("Proceedings") affecting all or any part of the Project and shall deliver to Mortgagee copies of any and all papers served in connection with any such Proceedings. Mortgagors further agree to make, execute, and deliver to Mortgagee, at any time upon request, free, clear, and discharged of any encumbrance of any kind whatsoever, any and all further assignments and other instruments deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning all Awards and other compensation heretofore and hereafter made to Mortgagors for any taking, either permanent or temporary, under any such Proceeding, subject, however, to the prior rights of the Senior Mortgagee. If any portion of or interest in the Project is taken by condemnation or eminent domain, either temporarily or permanently and the remaining portion of the Project is not, in the judgment of Mortgagee, a complete economic unit having substantially equivalent value to the Project as it existed prior to the taking, then, at the option of Mortgagee, the entire Indebtedness Hereby Secured shall immediately become due and payable, subject to the provisions of Section 2, above. If, in Mortgagee's judgment, any partial taking of the Project or any interest in the Project leaves the Project as a complete economic unit having substantially equivalent value to the Project as it existed prior to the taking, then the Award shall be applied in the same order and manner as insurance proceeds.

7. **Prepayment.**

For a period of six (6) months from the date hereof, the Loan shall not be prepayable in whole or in part without the prior written consent of Mortgagee. Thereafter, the Loan may be prepaid, in whole or in part, without payment of premium or penalty and without the consent of Mortgagee.

8. **Mortgagee's Performance of Mortgagor's Obligations.**

Subject to the prior rights of the Senior Mortgagee and to the provisions of Section 2, above, if an Event of Default occurs or exists, Mortgagee, either before or after acceleration of the Indebtedness Hereby Secured or the foreclosure of the lien hereof and during the period of redemption, if any, may, but shall not be required to, make any payment or perform any act herein required of Mortgagors in any form and manner deemed reasonably expedient to Mortgagee. All monies paid by Mortgagee, and all expenses paid or incurred by Mortgagee in connection therewith, including reasonable attorneys' fees, to the extent permitted by applicable law, and other monies advanced by Mortgagee to protect the Project and the lien hereof, or to rent, operate or manage the Project or to pay any such operating costs and expenses thereof or to

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keep the Project operational and usable for its intended purposes shall be so much additional Indebtedness Hereby Secured, whether or not the Indebtedness Hereby Secured, as a result thereof, shall exceed the face amount of the Note, and shall become immediately due and payable on demand, and with interest thereon at the Default Rate, but subject to the prior rights of the Senior Mortgagee and subject to the provisions of Section 2B, above. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any Event of Default nor shall the provisions of this section or any exercise by Mortgagee of its rights hereunder prevent any default from constituting an Event of Default. Mortgagee, in making any payment hereby authorized (a) relating to Taxes, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (b) for the purchase, discharge, compromise or settlement of any lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (c) in connection with the rental, operation or management of the Project or the payment of operating costs and expenses thereof, may do so in such amounts and to such persons as Mortgagee may deem appropriate. Nothing contained herein shall be construed to require Mortgagee to advance or expend monies for any purpose mentioned herein, or for any other purpose.

9. Security Agreement.

Mortgagors and Mortgagee agree that this Mortgage shall constitute a Security Agreement within the meaning of the Illinois Uniform Commercial Code ("Code") with respect to (i) any and all sums at any time on deposit for the benefit of Mortgagee or held by Mortgagee (whether deposited by or on behalf of Mortgagors or anyone else) pursuant to any of the provisions of this Mortgage, and (ii) any personal property included in the granting clauses of this Mortgage, which may not be deemed to be affixed to the Real Estate or may not constitute a "fixture" within the meaning of the Code (all of which property is referred to herein as "Additionally Secured Personal Property") and all replacements of such Additionally Secured Personal Property, substitutions for such Additionally Secured Personal Property, additions to such Additionally Secured Personal Property, and the proceeds thereof (all of said Additionally Secured Personal Property and the replacements, substitutions and additions thereto and the proceeds thereof being sometimes hereinafter collectively referred to as the "Collateral"), and that a security interest in and to the Collateral is hereby granted to Mortgagee, and the Collateral and all of Mortgagors' rights, title and interest therein are hereby assigned to Mortgagee, all to secure payment of the Indebtedness Hereby Secured. To the extent permitted by applicable law and in accordance with the provisions set forth below, the security interests created hereby are specifically intended to cover and include all of the Leases and rents, including, without limitation, all extended terms and all extensions and renewals of the terms thereof, as well as any amendments to or replacement of said Leases, together with all of the rights, title and interest of Mortgagors, as lessor thereunder, including, without limitation, the present and continuing right to make claim for, bring actions and proceedings for the enforcement of, collect, receive and receipt for any and all of the rents, income, revenues, issues, profits, monies payable as damages, monies payable in lieu of the rent, monies payable as the purchase price of the Project, or any part of any of the foregoing, and all awards and other claims for money and other sums of money payable or receivable under any of the Leases or with respect to the Project, and to do any and all things which Mortgagors or any lessor is or may become entitled to do under the Leases, but subject in all events to the prior rights of the Senior Mortgagee and to the provisions of Section

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2, above. 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 Project; and the following provisions of this section shall not limit the applicability of any other provision of this Mortgage but shall be in addition thereto:

(a) The terms and provisions contained in this Section 9 shall, unless the context otherwise requires, have the meanings and be construed as provided in the Code;

(b) Mortgagors (being the Debtors as that term is used in the Code) are and will be the true and lawful owners of the Collateral, subject to no liens, charges or encumbrances other than the lien hereof, and the Permitted Exceptions;

(c) The Collateral is to be used by Mortgagors solely for business purposes;

(d) The Collateral will be kept at the Project, and, except for Collateral which may become obsolete, will not be removed therefrom without the consent of Mortgagee (being the Secured Party as that term is used in the Code). The Collateral may be affixed to the Real Estate but will not be affixed to any other real estate;

(e) No Financing Statement (other than Financing Statements showing Mortgagee as the secured party, or with respect to liens or encumbrances, if any, as a Permitted Exception, covering any of the Collateral or any proceeds thereof) is on file in any public office except pursuant hereto; and Mortgagors will at their own cost and expense, upon demand, furnish to Mortgagee such further information and will execute and deliver to Mortgagee such financing statements and other documents, in form satisfactory to Mortgagee, and will do all such acts and things as Mortgagee may at any time and from time to time request or as may be necessary or appropriate in the discretion of Mortgagee to establish and maintain a perfected security interest in the Collateral as security for the Indebtedness Hereby Secured, subject to no other liens or encumbrances, except the Permitted Exceptions, and Mortgagors will pay the cost of filing or recording such financing statements or other documents, and this instrument, in all public offices wherever filing or recording is deemed by Mortgagee to be necessary or desirable;

(f) Subject to the prior rights of the Senior Mortgagee and to the provisions of Section 2, above, upon the occurrence or existence of an Event of Default, Mortgagee shall have the remedies of a secured party under the Code, including, without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as Mortgagors can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace) upon any place which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code); and 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 Mortgagors' right of redemption in satisfaction of Mortgagors' obligations, as provided in the Code. Mortgagee may (i) render the Collateral unusable without removal, (ii) dispose of the Collateral, or (iii) require Mortgagors to make it available to Mortgagee for its possession at a place to be designated by Mortgagee which is reasonably convenient to both parties. Mortgagee will give Mortgagors at least ten (10) days notice of the time and place of any public sale of the Collateral or of the time after which any

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private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by certified United States mail or equivalent, postage prepaid, to the address of Mortgagors hereinafter set forth at least ten (10) days before the time of the sale or disposition. Mortgagee may buy same at any public sale and, if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, Mortgagee may buy at any private sale. Any such sale may be held as part of and in conjunction with any foreclosure sale of the Project, the Project including the Collateral to be sold as one lot if Mortgagee so elects. Subject to the prior rights of the Senior Mortgagee and to the provisions of Section 2, above, the net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling or the like and the reasonable attorneys' fees and reasonable legal expenses incurred by Mortgagee, shall be applied against the Indebtedness Hereby Secured in such order or manner as provided in the Security Agreement. Mortgagee will account to Mortgagors for any surplus realized on such disposition;

(g) This Mortgage is intended to be a financing statement within the purview of the Code with respect to the Collateral and the goods described herein, which goods are or may become fixtures relating to the Real Estate. The addresses of Mortgagors (Debtors) and Mortgagee (Secured Party) are set forth in this Mortgage. This Mortgage is to be filed for record with the Recorder of Deeds of the County where the Project is located. Trustee is the record owner of the Real Estate; and

(h) To the extent permitted by law and subject to the prior rights of the Senior Mortgagee and to the provisions of Section 2, above, the security interest created hereby is also specifically intended to cover and include all Leases, including without limiting the generality of the foregoing the present and continuing right to make claim for, collect, receive and receipt for any and all of the rents, income, revenues, issues and profits and monies payable as damages or in lieu of the rent and monies payable as the purchase price of the Project or any part thereof or of awards or claims for money and other sums of money payable or receivable thereunder, howsoever payable, and Mortgagee is hereby authorized to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which Mortgagors or any lessor respectively is or may become entitled to do under the Leases.

10. Restrictions on Transfer.

Mortgagors agree that in determining whether or not to make the Loan, Mortgagee evaluated the background and experience of Mortgagors (as used solely in this Section 10 "Mortgagors" shall mean Beneficiaries) in owning and operating property such as the Project, found them acceptable and relied and continues to rely upon the same as the means of maintaining the value of the Project which is Mortgagee's primary security for the Note. Mortgagors are experienced in borrowing money and owning and operating property such as the Project, have been ably represented by a licensed attorney at law in the negotiation and documentation of the Loan and have bargained at arm's length and without duress of any kind for all of the terms and conditions of the Loan, including this provision.

In accordance with the foregoing and for the purposes of (A) protecting Mortgagee's security for the repayment of the Loan, the value of the Project and the payment of the

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Indebtedness Hereby Secured and the performance of Mortgagors' obligations under the Note; (B) giving Mortgagee the full benefit of its bargain and contract with Mortgagors; and (C) keeping the Project free of subordinate financing liens, Mortgagor agrees that if this Section 10 be deemed a restraint on alienation, that it is a reasonable one, and that Mortgagors shall not, without the prior written consent of Mortgagee, create, effect, consent to, suffer or permit any Prohibited Transfer. In the event Mortgagee consents to a transfer which, without such consent, would be a Prohibited Transfer, as a condition to said consent the transferee shall assume, in writing, the Note and each and every of the obligations thereunder to be performed and observed by the Mortgagors. The foregoing assumption shall be accomplished with such documentation as may be reasonably required by Mortgagee and shall, if required by Mortgagee, be in recordable form. Provided, however, that the foregoing provisions of this Section 10 shall not apply to (i) liens securing the Indebtedness Hereby Secured, (ii) the lien of current taxes and assessments not yet due and payable, (iii) liens being contested in accordance with the terms of this Mortgage, (iv) any Leases entered into in the ordinary course of business, and (v) liens constituting Permitted Exceptions. Any consent by Mortgagee or any waiver of any condition or Event of Default under this Section 10 shall not constitute a consent to, or waiver of any right, remedy or power of Mortgagee upon a subsequent Event of Default under this Section 10. For purposes hereof, a "Prohibited Transfer" shall mean: (i) any conveyance of the Real Estate by deed or other instrument of conveyance; (ii) any assignment if a majority of the beneficial interests in Trust No. 8002353453 (the "Trust"); or (iii) any transfer or assignment of a majority of the membership interests in Colonial Point, L.L.C. or in Colonial Point II, L.L.C. Mortgagors acknowledge that any agreements, liens or encumbrances created in violation of the provisions of this Section 10 shall, at the option of Mortgagee, be voidable and, if Mortgagee exercises the option to void such agreement, lien or encumbrance, it shall be of no further force or effect, and to the extent the provisions of this Section 10 conflict with or are inconsistent with similar provisions of the Note, the provisions of this Section 10 shall govern and control.

11. Defaults - Remedies.

Subject to the prior rights of the Senior Mortgagee and to the provisions of Section 2 hereof, if an Event of Default shall occur or exist, then Mortgagee is hereby authorized and empowered, at its option and without affecting the lien hereby created or the priority of said lien or any other right of Mortgagee hereunder, to declare, without further notice, all Indebtedness Hereby Secured to be immediately due and payable with interest thereon at the Default Rate, whether or not such Event of Default be thereafter remedied by Mortgagors, and Mortgagee may immediately proceed to foreclose this Mortgage and/or to exercise any right, power or remedy provided by this Mortgage, the Note, or by law or in equity or any other document or instrument regulating, evidencing, securing or guaranteeing any of the Indebtedness Hereby Secured. Mortgagee in its sole discretion, at any time after the occurrence of an Event of Default, may (i) notify any person obligated to Mortgagors under or with respect to any contract for sale or any contract for construction affecting or related to the Project, of the existence of an Event of Default, (ii) require that performance of any such contract be made directly to the Mortgagee at Mortgagors' expense, and (iii) advance such sums as are necessary or appropriate to satisfy Mortgagors' obligations thereunder. Mortgagors agree to cooperate with Mortgagee in all ways reasonably requested by Mortgagee (including the giving of any notices requested by Mortgagee or joining in any notices given by Mortgagee) to accomplish the foregoing provisions of this Section 11, and hereby grant to Mortgagee and/or Mortgagee's designee a security interest in its

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rights under such contracts for the purpose of securing all of the Indebtedness Hereby Secured and Mortgagors' obligations secured hereby. The granting of a grace or cure period in this Mortgage and the granting of a grace or cure period with respect to the same matters in the Note shall not be construed to have the effect of extending or replicating the grace or cure period relating to such matters.

12. Foreclosure.

Subject to the prior rights of the Senior Mortgagee and to the provisions of Section 2, hereof, upon the occurrence or existence of an Event of Default, Mortgagee shall have the right to foreclose the lien hereof in accordance with the laws of the State of Illinois and to exercise any other remedies of Mortgagee provided in the Note, or this Mortgage, or which Mortgagee may have at law, at equity or otherwise. In any suit to foreclose the lien hereof, there shall be allowed and included as additional Indebtedness Hereby Secured in the decree of sale, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees (to the extent permitted by applicable law), appraisers' fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurance with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree the true condition of the title to or the value of the Project. All expenditures and expenses of the nature mentioned in this Section, and such other expenses and fees as may be incurred in the protection of the Project and rents and income therefrom and the maintenance of the lien of this Mortgage, including the fees of any attorneys employed by Mortgagee in any litigation or proceedings affecting this Mortgage, or the Note, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, or otherwise in dealing specifically therewith, shall be so much additional Indebtedness Hereby Secured and shall be immediately due and payable by Mortgagors with interest thereon at the Default Rate until paid.

13. Proceeds of Sale.

Subject to the prior rights of the Senior Mortgagee and to the provisions of Section 2, hereof, the proceeds of any sale of the Project shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Section 11 hereof, or incident to any sale under Section 12 hereof, including but not limited to the expenses of sale, the reasonable attorneys' fees of Mortgagee (to the extent not prohibited by applicable law), the actual cost of providing, recording, mailing and posting notice, the cost of any search and/or other evidence of title procedures in connection therewith and any transfer tax on any deed or conveyance; second, all other items which, under the terms hereof, constitute Indebtedness Hereby Secured additional to that evidenced by the Note, with interest on such items as herein provided; third, to interest remaining unpaid upon the Note, including interest, if any, at the Default Rate; fourth, to the principal remaining unpaid upon the Note; and fifth, to the payment of surplus, if any, to whosoever may be lawfully entitled to receive the same.

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14. Waiver of Right of Redemption and Other Rights.

To the full extent permitted by law, Mortgagors hereby (i) covenant and agree that they 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, nor claim, take or insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Project, 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; and (ii) expressly waive any and all rights of reinstatement and/or redemption from sale under any order or decree of foreclosure of this Mortgage on their own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Mortgagors and on behalf of each and every person acquiring any interest in or title to the Project subsequent to the date hereof, it being the intent hereof that any and all such rights of reinstatement and/or redemption of Mortgagors 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, Mortgagors agree that (i) they will not, by invoking 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 Mortgagee, 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; and (ii) 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 at law upon the Note. Mortgagors hereby expressly waive any right which they may have to direct the order in which any of the Project shall be sold in the event of any sale thereof pursuant hereto.

15. Rights Cumulative.

Each right, power and remedy herein conferred upon Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, now or hereafter provided by law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient to Mortgagee. The exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy; and no delay or omission of Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein. Except as otherwise specifically required herein, notice of the exercise of any right, remedy or power granted to Mortgagee by this Mortgage is not required to be given.

16. Successors and Assigns.

A. Holder of the Note. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon Mortgagors and their successors and assigns (including, without limitation, each and every record owner from time to time of the Project or any other person having an interest therein), and shall inure to the benefit of Mortgagee and its

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successors and assigns. Wherever herein Mortgagee is referred to, such reference shall be deemed to include the holder from time to time of the Note, whether so expressed or not; and each such holder from time to time of the Note shall have and enjoy all of the rights, privileges, powers, options and benefits afforded hereby and hereunder, and may enforce all and every of the terms and provisions hereof, as fully and to the same extent and with the same effect as if such holder of the Note from time to time were herein by name specifically granted such rights, privileges, powers, options and benefits and were herein by name designated Mortgagee.

B. Covenants Run With Land; Successor Owners. All of the covenants of this Mortgage shall run with the Real Estate and be binding on any successor owners of the Real Estate. If the ownership of the Project or any portion thereof becomes vested in a person or persons other than Mortgagors, Mortgagee may, without notice to Mortgagors, deal with such successor or successors in interest of Mortgagors with reference to this Mortgage and the Indebtedness Hereby Secured in the same manner as with Mortgagors without in any way releasing or discharging Mortgagors from their obligations hereunder. Mortgagors will give prompt written notice to Mortgagee of any conveyance, transfer or change of ownership of the Project, but nothing in this section shall vary or negate the provisions of Section 10 hereof.

17. Effect of Extensions and Amendments.

If the payment of the Indebtedness Hereby Secured, or any part thereof, be extended, modified or amended or if any part of the security or guaranties, if any, therefor be released, all persons now or at any time hereafter liable therefor, or interested in the Project, shall be held to assent to such extension, modification or amendment or release, and their liability, and the lien, and all provisions hereof, shall continue in full force and effect; the right of recourse against all such persons being expressly reserved by Mortgagee notwithstanding any such extension, variation or release. Any Person taking a junior mortgage or other lien upon the Project or any part thereof or any interest therein, shall take the said lien subject to the rights of Mortgagee to amend, modify, extend or release the Note, this Mortgage or any other document or instrument evidencing, securing or guaranteeing the Indebtedness Hereby Secured, in each and every case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien. The same shall not negate the prohibition against such secondary financing contained herein or affect the obligation of any such junior lien holder not to proceed with any action against either the Mortgagors or Project or both.

18. Leases and Rents, Present Assignment.

Subject to the prior rights of the Senior Mortgagee and to the provisions of Section 2, hereof, as additional security for the repayment of the Note and this Mortgage, and for the faithful performance of the terms and conditions contained in the Note and this Mortgage, Mortgagors do hereby bargain, sell, transfer, assign, convey, set over and deliver to Mortgagee all of their right, title and interest as landlord in and to all Leases now existing or which may be executed by any landlord at any time in the future, and all guaranties, amendments, extensions and renewals of said Leases; therefore, Mortgagors have and do agree, covenant, represent and warrant to Mortgagee as follows:

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A. At all times, Mortgagee or its agent shall have the right to verify the validity, amount of or any other matter relating to any or all of the Leases, by mail, telephone, telecopy or otherwise, in the name of Mortgagors, Mortgagee, a nominee thereof, or any or all of said names.

B. Mortgagors shall promptly upon its receipt or learning thereof, inform Mortgagee, in writing, of any assertion of any claims, offsets or counterclaims by any of the obligors under any of the Leases.

C. Within ten (10) Business Days after written demand therefor by Mortgagee, Mortgagors shall deliver to Mortgagee, in form and substance acceptable to Mortgagee, a detailed certified Rent Roll and such other matters and information relating thereto as Mortgagee may request.

19. Execution of Separate Security Agreements, Financing Statements, Etc.; Estoppel Letter.

Mortgagors will do execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, conveyances, mortgages, security agreements, financing statements and assurances as Mortgagee shall reasonably require for the better assuring, conveying, mortgaging, assigning and confirming unto Mortgagee all property mortgaged hereby or property intended so to be, whether now owned by Mortgagors or hereafter acquired. Without limitation of the foregoing, Mortgagors will assign to Mortgagee, upon request, as further security for the Indebtedness Hereby Secured, Mortgagors' interests in all agreements, contracts, licenses and permits affecting the Project, such assignments to be made by instruments satisfactory to Mortgagee, but no such assignment shall be construed as a consent by the Mortgagee to any agreement, contract, license or permit or to impose upon Mortgagee any obligations with respect thereto and provided that any such assignment shall be subject to the prior rights of the Senior Mortgagee. From time to time, Mortgagors will furnish, within five (5) Business Days after Mortgagee's request therefor, a written and duly acknowledged statement of the amount due under the Note and this Mortgage and whether, to Mortgagors' best knowledge, any alleged offsets or defenses exist against the Indebtedness Hereby Secured and whether, to Mortgagors' best knowledge, any Event of Default on the part of Mortgagors (or events which, with the passing of time or the giving of notice, or both, would become an Event of Default) exists hereunder.

20. Governing Law.

This Mortgage, having been negotiated, executed and delivered within the State of Illinois, shall be construed and governed by and according to the laws of the State of Illinois, without reference to the conflicts of law principles of that State; provided, however, that the independent covenants and provisions herein contained with respect to the foreclosure of the lien hereof shall be governed and enforced according to the laws of the State of Illinois.

21. Business Loan.

Mortgagors represent and agree that the proceeds of the Loan will be used for the purposes specified in 815 ILCS 205/4, Paragraph 1(c), as amended, and that the principal obligation secured hereby constitutes a business loan which comes within the purview thereof.

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Mortgagors represent and warrant to Mortgagee that none of the proceeds of the Loan hereby secured will be used to purchase or carry registered equity securities within the meaning or purview of any Federal Reserve Board regulations or for the purpose of releasing or returning any indebtedness which was originally incurred for any such purpose.

22. Time of the Essence.

Time is of the essence of the Note, this Mortgage and any other document or instrument evidencing or securing the Indebtedness Hereby Secured.

23. Captions and Gender.

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

24. Notices.

Any notice, demand, request or other communication which any party may desire or may be required to give to any other party hereunder shall be given in writing (at the addresses set forth below) by any of the following means: (a) personal service; (b) overnight courier; or (c) registered or certified United States mail, postage prepaid, return receipt requested.

If to Mortgagee:

SP Insurance Company, Inc.
2722 W. Tucker Drive
South Bend, Indiana 46619
Attn: Gerald F. Lerman

with a copy to:

Steel Warehouse Company LLC
2722 W. Tucker Drive
South Bend, Indiana 46619
Attn: Gerald F. Lerman

If to Mortgagors:

Chicago Title Land Trust Company
as Trustee under Trust Number 8002353453
171 N. Clark Street, Suite 575
Chicago, Illinois 60601
Attn: Land Trust Department

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If to Borrower:

Colonial Point, L.L.C.
 Colonial Point II, L.L.C.
 1533 W. Jarvis
 Chicago, Illinois 60626
 Attn: Barry Chernawsky

with a courtesy copy to:

Shefsky & Froelich Ltd.
 111 E. Wacker Drive
 Suite 2800
 Chicago, Illinois 60601
 Attn: Michael A. Cramarosso

Such addresses may be changed by notice to the other party given in the same manner as herein provided. Any notice, demand, request or other communication sent pursuant to subsection (a) hereof shall be served and effective upon such personal service. Any notice, demand, request or other communication sent pursuant to subsection (b) shall be served and effective one (1) business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (c) shall be served and effective three (3) business days after proper deposit with the United States Postal Service.

25. Provisions Severable.

If any provision hereof shall be held by a court of competent jurisdiction to be illegal, unenforceable or invalid, then it is the intent of Mortgagors and Mortgagee that such provision shall be given full force and effect to the fullest possible extent that is legal, valid and enforceable and the intent of Mortgagors and Mortgagee is that the remainder of this Mortgage shall continue in full force and effect. The unenforceability or invalidity of any provision or provisions hereof shall not render any other provision or provisions herein contained unenforceable or invalid. It is the intent of Mortgagors and Mortgagee that the Mortgagee have a valid and enforceable lien created hereby securing each and all of the sums described herein and that this Mortgage shall be construed as creating such a valid lien in favor of Mortgagee notwithstanding the unenforceability of one or more provisions hereof.

26. Waiver of Defense.

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

27. Further Assurances.

Mortgagors will sign, execute, acknowledge and deliver to Mortgagee upon request such security agreements, assignments for security purposes and other documents in form and

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substance required by Mortgagee as Mortgagee may request, in the reasonable judgment of the Mortgagee, in order to perfect, preserve, continue, extend or maintain the assignments herein contained or contained in the Loan Documents, the lien and security interests under this Mortgage or the other Loan Documents, and the priority thereof.

28. No Partnership; Joint and Several Obligations.

Nothing contained herein, in the Note or in any other document or instrument evidencing or securing the Indebtedness Hereby Secured shall be deemed to create a joint venture or partnership relationship between Mortgagors and Mortgagee it being understood that the relationship is solely that of creditor and debtor, lender and borrower, and mortgagor and mortgagee, as the case may be. If this Mortgage is signed by more than one entity, the liability of such Mortgagors shall be joint and several in all respects.

29. Hazardous Material.

If any Mortgagors shall receive: (A) any notice of any violation or administrative or judicial complaint or order having been filed or about to be filed against the Mortgagors alleging violations of any law requiring any of them to take any action in connection with the release of any toxic materials or hazardous wastes, pollutants or contaminants into the environment, or (B) any notice from any governmental agency or any other person or entity alleging that any of the Mortgagors may be liable or responsible for costs associated with a response or cleanup of a release of toxic materials, hazardous wastes, pollutants or contaminants into the environment or any damages caused by such release, the party receiving such notice, promptly upon receipt thereof, shall provide Mortgagee with a copy of such notice. Within five (5) days after having learned of the enactment or promulgation of any environmental law which may result in any adverse change in the condition, financial or otherwise, of any of the Mortgagors or the Project, Mortgagors, promptly upon receipt thereof, shall provide Mortgagee with notice thereof. Mortgagors (i) shall not use, allow or suffer any part of the Project to be used as a facility for the handling, treatment, storage, or disposal of any Hazardous Materials or to be used as a landfill, without the prior written consent of Mortgagee (which consent may be granted or denied in Mortgagee's sole and absolute discretion), except for immaterial amounts of Hazardous Materials, not in violation of any Environmental Laws customarily found in construction sites and otherwise used in the daily operation of the Project, and (ii) at its sole cost and expense, shall comply in all respects with the foregoing notices and in all events shall satisfy the requirements of and maintain the Project in compliance with all Environmental Laws.

Mortgagors hereby represent and warrant that no portion of the Project has been used for or as a landfill, there are no known or unknown, nor have there been any, nor shall any of the Mortgagors cause there to be any, Hazardous Materials (as hereinafter defined) generated, released, stored, buried or deposited over, beneath, in or on (or used in the construction and/or renovation of) the Project from any source whatsoever, except as previously disclosed in writing to Mortgagee. Mortgagors hereby covenant and agree to indemnify, hold harmless, and defend Mortgagee and all persons claiming by, through or under Mortgagee from any and all claims, loss, damages, response costs, clean up costs and expenses arising out of or in any way relating to the existence at any time of any Hazardous Materials in, on, under, at or used in the construction and/or renovation of the Project, including, but not limited to: (i) claims of third

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parties, (including governmental agencies) for damages, penalties, response costs, clean up costs, injunctive or other relief; (ii) costs of removal and restoration, including reasonable fees of attorneys and experts, and costs of reporting the existence of Hazardous Materials to any governmental agency; and (iii) any and all expenses or obligations incurred at, before and after any trial or appeal therefrom whether or not taxable as costs, including, without limitation, reasonable attorneys' fees, witness fees, deposition costs, copying and telephone charges and other expenses, all of which shall be paid by Mortgagors when incurred. The representations, warranties, covenants and agreements contained in this Section 29 and the obligations of Mortgagors to indemnify, hold harmless and defend Mortgagee and all persons claiming by, through or under Mortgagee with respect to the expenses, damages, losses, costs, damages and liabilities set forth in this Section 29 shall survive the repayment of all amounts due under the Note, the cancellation of the Note and the release of this Mortgage, the foreclosure of any liens on the Project by Mortgagee or a third party, or the conveyance thereof by any power of sale, trustee's sale, deed in lieu of foreclosure, or otherwise and shall not be limited to the amount of any deficiency in any foreclosure or other sale of the Project. Mortgagors agree that Mortgagee may, in its sole discretion, retain an environmental expert at the expense of Mortgagors to perform one or more tests to determine the level, if any, of Hazardous Materials in, on or at the Project.

30. Maximum Indebtedness.

The maximum amount secured by the Mortgage is Three Million and No/100 Dollars (\$3,000,000.00).

31. Trustee's Exculpation.

This Mortgage is executed by Chicago Title Land Trust Company, not personally but as Trustee under Trust Number 8002353453, in the exercise of the power and authority conferred upon and vested in it as such Trustee. It is expressly understood and agreed by each original and successive holder of this Mortgage, that no personal liability shall be asserted or be enforceable against said Trustee, because or in respect of the making, issue or transfer of this Mortgage, all such liability, if any, being expressly waived by each original and successive holder hereof, but nothing herein contained shall modify or discharge the personal liability expressly assumed by any other party, and Mortgagee accepts the same upon the express condition that no duty shall rest upon said Trustee, either personally or as said Trustee, to sequester the rents, issues and profits arising from the Project, or the proceeds arising from the sale or other disposition thereof.


[Signature Page to Follow]

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IN WITNESS WHEREOF, Mortgagors have caused this Mortgage to be duly signed, sealed and delivered the day and year first above written.

TRUSTEE:


CHICAGO TITLE LAND TRUST COMPANY, not personally, but solely as Trustee, as aforesaid

By: 
Printed Name: CAROLYN RAMPENELLA
Title: Trust Officer


By: Attestation not required
Printed Name: pursuant to corporate by-laws
Title: _____

BENEFICIARIES:

COLONIAL POINT, L.L.C., a Wisconsin limited liability company

By: 
Printed Name: Barry Chernawsky
Title: Manager

COLONIAL POINT II, L.L.C., a Wisconsin limited liability company

By: 
Printed Name: Barry Chernawsky
Title: Manager

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STATE OF ILLINOIS)
)
COUNTY OF Cook) SS

Acknowledgment

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that CAROLYN PAMPENELLA and _____, the Trust Officer and _____, respectively, of Chicago Title Land Trust Company, as Trustee aforesaid, a Trust Officer, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that, as such _____ and _____, they signed and delivered the said instrument as their free and voluntary act and as the free and voluntary act of said _____ for the uses and purposes therein set forth.

Given under my hand and official seal this 22nd day of October, 2009.

Grace Marin
Notary Public
My commission expires: 3/20/2013



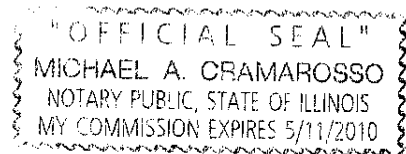
STATE OF ILLINOIS)
)
COUNTY OF Cook) SS

Acknowledgment

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Betty Chermak the Manager of Colonial Point, L.L.C. a Wisconsin 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, as such Manager, he signed and delivered the said instrument as his free and voluntary act, as the free and voluntary act of said limited liability company for the uses and purposes therein set forth.

Given under my hand and official seal this 2nd day of October, 2009.

Michael A. Cramarosso
Notary Public
My commission _____



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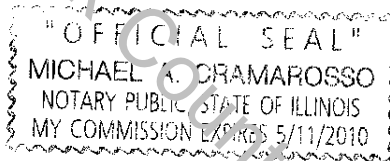
STATE OF ILLINOIS)
) SS
COUNTY OF Cook)

Acknowledgment

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Barry Cherry, the Manager of Colonial Point II, L.L.C., a Wisconsin 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, as such Manager, he signed and delivered the said instrument as his free and voluntary act, as the free and voluntary act of said limited liability company for the uses and purposes therein set forth.

Given under my hand and official seal this 27th day of October, 2009.

Michael A. Dramarosso
Notary Public
My commission _____



Property of Cook County Clerk's Office

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EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

THE SOUTH 115 FEET OF LOT 3 (EXCEPT THE EAST 62-1/2 FEET THEREOF) THE NORTH HALF OF LOT 5 (EXCEPT THE SOUTH 10 FEET THEREOF) AND THE SOUTH 116 FEET OF SAID LOT 5, ALL IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO IN THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 1 TO 18 INCLUSIVE, (EXCEPT THOSE PARTS OF SAID LOTS TAKEN FOR STREET PURPOSES) IN F. H. SHELDON'S SUBDIVISION OF LOTS 1 AND 2 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO, IN THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOTS 1 THROUGH 7 AND THE 5 FOOT PRIVATE ALLEY LYING SOUTH OF AND ADJOINING LOTS 1 THROUGH 6, ALL IN THE SUBDIVISION OF THE NORTH 1/2 OF LOT 3 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO, IN THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

LOTS 1, 2 AND 3 IN THE SUBDIVISION OF THE NORTH 1/2 OF LOT 4 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO IN THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 5:

LOTS 1 THROUGH 18 IN LOBRAICO'S SUBDIVISION OF PART OF BLOCK 11 OF ROCKWELL'S ADDITION TO CHICAGO, IN THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 6:

THE NORTH 5 FEET OF LOT 11, LOT 6 (EXCEPT THE WEST 7 FEET THEREOF) AND ALL OF LOTS 7 THROUGH 10 AND 16 THROUGH 23 IN THE SUBDIVISION OF LOTS 6, 7 AND 8 IN BLOCK 11 OF ROCKWELL'S ADDITION TO CHICAGO, IN THE WEST 1/2

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OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 7:

LOTS 1 THROUGH 6 IN J. A. LANDON'S SUBDIVISION OF LOTS 1, 2, 3, 4, 5 AND THE WEST 7 FEET OF LOT 6 IN THE SUBDIVISION OF LOTS 6, 7 AND 8 IN BLOCK 11 OF ROCKWELL'S ADDITION TO CHICAGO, IN THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 39 NORTH, RANGE

14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 8:

LOTS 1 THROUGH 6 IN THE SUBDIVISION OF LOTS 11,12,13,14 AND 15 (EXCEPT THE NORTH 5 FEET OF LOT 11) IN THE SUBDIVISION OF LOTS 6, 7 AND 8 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO, IN THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 9:

ALL THAT PART OF W. GLADYS AVENUE LYING NORTH OF THE NORTH LINE OF THE SOUTH 116 FEET OF THAT PART OF LOT 5 LYING NORTH OF THE NORTH LINE OF W. VAN BUREN STREET IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO IN THE NORTHEAST 1/4 OF SECTION 13, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN AND THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN LYING NORTH OF THE NORTH LINE OF THE SOUTH 115 FEET OF THAT PART OF LOT 3 LYING NORTH OF THE NORTH LINE OF W. VAN BUREN STREET (EXCEPT THE EAST 62.5 FEET THEREOF) IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO, AFOREMENTIONED; LYING NORTH OF THE NORTH LINE OF LOTS 13 TO 18 AND SAID NORTH LINE OF LOT 13 PRODUCED EAST 11 FEET IN LOBRAICO'S SUBDIVISION OF PART OF BLOCK 11; LYING SOUTH OF THE SOUTH LINE OF LOTS 1 TO 12 IN LOBRAICO'S SUBDIVISION AFOREMENTIONED; LYING WEST OF THE WEST LINE OF LOT 23 IN SUBDIVISION OF LOTS 6, 7 AND 8 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO, AFOREMENTIONED; AND LYING WEST OF A LINE DRAWN FROM THE SOUTHEAST CORNER OF LOT 12 IN LOBRAICO'S SUBDIVISION TO THE NORTHWEST CORNER OF LOT 23 IN SUBDIVISION OF LOTS 6, 7 AND 8, AFOREMENTIONED; AND LYING EAST OF A LINE DRAWN FROM THE SOUTHWEST CORNER OF LOT 1 IN LOBRAICO'S SUBDIVISION AFOREMENTIONED TO THE INTERSECTION OF THE WEST LINE OF LOT 3 AND THE NORTH LINE OF THE SOUTH 115 FEET OF THAT PART OF SAID LOT 3 LYING NORTH OF THE NORTH LINE OF W. VAN BUREN STREET IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED;

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ALSO

ALL OF THE NORTH-SOUTH 16 FOOT PUBLIC ALLEY LYING EAST OF THE EAST LINE OF LOTS 1 TO 18, BOTH INCLUSIVE, IN E. H. SHELDON'S SUBDIVISION OF LOTS 1 AND 2 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; LYING WEST OF THE WEST LINE OF LOT 3 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; LYING WEST OF THE WEST LINE OF LOT 1 IN LOBRAICO'S SUBDIVISION AFOREMENTIONED; LYING WEST OF THE WEST LINE OF LOTS 6 AND 7 AND THE WEST LINE OF THE 5 FOOT PRIVATE ALLEY BETWEEN SAID LOTS 6 AND 7 IN SUBDIVISION OF THE NORTH HALF OF LOT 3 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; LYING SOUTH OF A LINE DRAWN FROM THE NORTHEAST CORNER OF LOT 1 IN E. H. SHELDON'S SUBDIVISION AFOREMENTIONED, TO THE NORTHWEST CORNER OF LOT 6 IN THE SUBDIVISION OF THE NORTH 1/2 OF LOT 3 AFOREMENTIONED AND LYING NORTH OF THE SOUTH LINE OF LOT 18 IN E. H. SHELDON'S SUBDIVISION, PRODUCED EAST TO THE WEST LINE OF LOT 3 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED;

ALSO

ALL OF THE EAST-WEST 16 FOOT PUBLIC ALLEY LYING SOUTH OF THE SOUTH LINE OF LOTS 6, 7 AND 8 IN SUBDIVISION OF LOTS 6, 7 AND 8 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; AND LYING SOUTH OF THE SOUTH LINE OF LOTS 1 TO 5, BOTH INCLUSIVE, IN J. A. LANDON'S SUBDIVISION OF LOTS 1, 2, 3, 4, 5 AND THE WEST 7 FEET OF LOT 6 IN A SUBDIVISION OF LOTS 6, 7 AND 8 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; LYING NORTH OF THE NORTH LINE OF LOT 9 IN THE SUBDIVISION OF LOTS 6, 7, AND 8 AFOREMENTIONED; LYING EAST OF THE WEST LINE OF LOT 9 IN THE SUBDIVISION OF LOTS 6, 7 AND 8 AFOREMENTIONED, PRODUCED NORTH 16 FEET TO THE SOUTH LINE OF LOT 5 IN J. A. LANDON'S SUBDIVISION AFOREMENTIONED; AND LYING WEST OF A LINE DRAWN FROM THE SOUTHEAST CORNER OF LOT 8 TO THE NORTHEAST CORNER OF LOT 9 IN SUBDIVISION OF LOTS 6, 7 AND 8 AFOREMENTIONED;

ALSO

ALL OF THE EAST-WEST 16 FOOT PUBLIC ALLEY LYING SOUTH OF THE SOUTH LINE OF LOT 6 IN SUBDIVISION OF LOTS 11,12,13,14 AND 15 (EXCEPT THE NORTH 5 FEET OF LOT 11 IN SUBDIVISION OF LOTS 6, 7 AND 8 IN BLOCK 11 OF ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; LYING NORTH OF THE NORTH LINE OF LOTS 16 TO 22, BOTH INCLUSIVE, IN SUBDIVISION OF LOTS 6, 7. AND 8 AFOREMENTIONED; LYING EAST OF THE WEST LINE OF LOT 6 IN SUBDIVISION OF LOTS 11, 12,13,14 AND 15, EXCEPT THE NORTH 5 FEET OF LOT 11 AFOREMENTIONED, PRODUCED SOUTH 16 FEET TO THE NORTH LINE OF LOT 22 IN SUBDIVISION OF LOTS 6, 7 AND 8 AFOREMENTIONED; AND LYING WEST OF A LINE DRAWN FROM THE SOUTHEAST CORNER OF LOT 6 IN SUBDIVISION OF LOTS 11,12,13,14 AND 15, EXCEPT THE NORTH 5 FEET OF LOT 11 AFOREMENTIONED TO

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THE NORTHEAST CORNER OF LOT 16 IN SUBDIVISION OF LOTS 6, 7 AND 8 AFOREMENTIONED;

ALSO

ALL OF THE NORTH-SOUTH 30 FOOT PUBLIC ALLEY LYING WEST OF THE WEST LINE OF LOTS 9, 10 AND 11 IN SUBDIVISION OF LOTS 6, 7 AND 8 AFOREMENTIONED AND THE WEST LINE OF SAID LOT 9 PRODUCED NORTH 16 FEET TO THE SOUTH LINE OF LOT 5 IN J. A. LANDOR'S SUBDIVISION AFOREMENTIONED, AND LYING WEST OF THE WEST LINE OF LOTS 1 TO 6, BOTH INCLUSIVE, IN THE SUBDIVISION OF LOTS 11,12,13,14 AND 15, EXCEPT THE NORTH 5 FEET OF LOT 11

AFOREMENTIONED AND THE WEST LINE OF SAID LOT 6 PRODUCED SOUTH 16 FEET TO THE NORTH LINE OF LOT 22 IN SUBDIVISION OF LOTS 6, 7 AND 8 AFOREMENTIONED; LYING EAST OF THE EAST LINE OF LOT 5 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED, AND LYING EAST OF THE EAST LINE OF LOT 12 IN LOBRAICO'S SUBDIVISION AFOREMENTIONED; LYING NORTH OF THE NORTH LINE OF LOTS 22 AND 23 IN SUBDIVISION OF LOTS 6, 7 AND 8 AFOREMENTIONED; AND LYING SOUTH OF THE SOUTH LINE OF LOTS 5 AND 6 IN J. A. LANDON'S SUBDIVISION AFOREMENTIONED;

ALSO

ALL OF THE NORTH-SOUTH 11 FOOT PUBLIC COURT LYING WEST OF THE WEST LINE OF LOT 5 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; LYING EAST OF THE EAST LINE OF LOT 13 IN LOBRAICO'S SUBDIVISION AFOREMENTIONED; LYING SOUTH OF THE NORTH LINE OF LOT 13 IN LOBRAICO'S SUBDIVISION AFOREMENTIONED PRODUCED EAST 11 FEET TO THE WEST LINE OF LOT 5 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; AND LYING NORTH OF THE

SOUTH LINE OF LOT 13 IN LOBRAICO'S SUBDIVISION AFOREMENTIONED PRODUCED EAST 11 FEET TO THE WEST LINE OF LOT 5 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED;

ALSO

ALL OF THE EAST-WEST 20 FOOT PUBLIC ALLEY AS DEDICATED THROUGH THE CENTER OF LOTS 3, 4 AND 5 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED AND RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS ON MAY 26,1881, AS DOCUMENT NO. 329172 AND ON APRIL 10, 1908, AS DOCUMENT NO. 4185297; SAID ALLEY BEING FURTHER DESCRIBED AS LYING NORTH OF THE NORTH LINE OF LOTS 1 TO 12, BOTH INCLUSIVE, IN LOBRAICO'S SUBDIVISION AFOREMENTIONED; LYING SOUTH OF THE SOUTH LINE OF LOT 7 IN SUBDIVISION OF THE NORTH HALF OF LOT 3 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED, LYING SOUTH OF THE SOUTH LINE OF LOTS 1, 2 AND 3 IN SUBDIVISION OF THE NORTH

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HALF OF LOT 4 IN BLOCK 11 OF ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; AND LYING SOUTH OF THE NORTH LINE OF THE SOUTH 10 FEET OF THE NORTH HALF OF LOT 5 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; LYING WEST OF THE EAST LINE OF LOT 5 IN BLOCK 11 OF ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; AND LYING EAST OF THE WEST LINE OF LOT 3 IN BLOCK 11 OF ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; SAID PUBLIC STREET, PUBLIC ALLEYS AND PUBLIC COURT HEREIN VACATED BEING FURTHER DESCRIBED AS ALL THAT PART OF W. GLADYS AVENUE TOGETHER WITH ALL OF THE NORTH-SOUTH AND EAST-WEST PUBLIC ALLEYS AND PUBLIC COURT IN THE BLOCK BOUNDED BY WEST JACKSON BOULEVARD, W. VAN BUREN STREET, S. WESTERN AVENUE AND S. OAKLEY BOULEVARD.

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EXHIBIT B

PERMITTED EXCEPTIONS

MORTGAGE DATED AUGUST 1, 1977 AND RECORDED AUGUST 19, 1977 AS DOCUMENT NUMBER 24066337 AND FILED AS DOCUMENT LR 2960833 MADE BY ST. STEPHEN TERRACE CORPORATION TO BANCO MORTGAGE COMPANY, TO SECURE A NOTE FOR \$8,973,100.00.

REGULATORY AGREEMENT RECORDED AUGUST 19, 1977 AS DOCUMENT NUMBER 24066338 AND FILED AS DOCUMENT LR 2960834 MADE BY BANCO MORTGAGE COMPANY AND ST. STEPHENS TERRACE CORPORATION AND THE TERMS CONTAINED THEREIN.

SUPPLEMENTAL MORTGAGE RECORDED NOVEMBER 9, 1978 AS DOCUMENT NUMBER 24711814 AND FILED AS DOCUMENT LR 3058671. MODIFICATION AND CONSOLIDATION AGREEMENT RECORDED NOVEMBER 9, 1978 AS DOCUMENT 24711815 AND FILED AS DOCUMENT LR 3058672.

SUPPLEMENTAL MORTGAGE RECORDED JUNE 16, 1980 AS DOCUMENT NOS. 25487470 AND 25487968 AND FILED AS DOCUMENT LR 3165300.

SECOND MODIFICATION AND CONSOLIDATION AGREEMENT RECORDED JUNE 16, 1980 AS DOCUMENT NOS. 25487471 AND 25487969 AND FILED AS DOCUMENT LR 3165301.

ASSIGNED TO EAST RIVER SAVING BANK BY INSTRUMENT RECORDED JUNE 24, 1980 AS DOCUMENT 25496318 AND FILED AS DOCUMENT LR 3166484.

MODIFICATION AGREEMENT RECORDED SEPTEMBER 29, 1983 AS DOCUMENT NUMBER 26800800 INCORPORATING BY REFERENCE REGULATORY AGREEMENT DATED FEBRUARY 4, 1981 AND RECORDED SEPTEMBER 29, 1983 AS DOCUMENT NUMBER 26800746 AND FILED AS DOCUMENT LR-3352970.

LAST OF ASSIGNMENT OF RECORD TO WELLS FARGO BANK, N.A. RECORDED JUNE 22, 2007 AS DOCUMENT NUMBER 0717316073.

1. GENERAL REAL ESTATE TAXES FOR THE YEARS 2008 AND 2009 (2007 TAXES AND THE FIRST INSTALLMENT OF 2008 TAXES HAVE BEEN PAID AND ARE LISTED SOLELY FOR INFORMATIONAL PURPOSES).

TAX NO. 17-18-120-055, AS TO A PORTION OF PARCEL 1 AND A PORTION OF PARCEL 9, VOL. 593.

NOTE: THE AMOUNT OF THE 2007 TAXES WAS \$427.64.

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NOTE: THE FIRST INSTALLMENT OF THE 2008 TAXES HAS BEEN PAID, \$213.82.

TAX NO. 17-18-120-089, AS TO A PORTION OF PARCEL 2 AND A PORTION OF PARCEL 9, VOL. 593.

NOTE: THE AMOUNT OF THE 2007 TAXES WAS \$25,228.64.

NOTE: THE FIRST INSTALLMENT OF THE 2008 TAXES HAS BEEN PAID, \$12,614.32.

TAX NO. 17-18-120-090, AS TO A PORTION OF PARCEL 3 AND A PORTION OF PARCEL 9, VOL. 593.

NOTE: THE AMOUNT OF THE 2007 TAXES WAS \$3,234.76.

NOTE: THE FIRST INSTALLMENT OF THE 2008 TAXES HAS BEEN PAID, \$1,617.38.

TAX NO. 17-18-120-091, AS TO A PORTION OF PARCEL 4 AND A PORTION OF PARCEL 9, VOL. 593.

NOTE: THE AMOUNT OF THE 2007 TAXES WAS \$53,605.95.

NOTE: THE FIRST INSTALLMENT OF THE 2008 TAXES HAS BEEN PAID, \$26,802.98.

TAX NO. 17-18-120-092, AS TO A PORTION OF PARCEL 1 AND A PORTION OF PARCEL 9, VOL. 593.

NOTE: THE AMOUNT OF THE 2007 TAXES WAS \$53,586.92.

NOTE: THE FIRST INSTALLMENT OF THE 2008 TAXES HAS BEEN PAID, \$26,793.46.

TAX NO. 17-18-120-093, AS TO A PORTION OF PARCEL 7 AND A PORTION OF PARCEL 9, VOL. 593.

NOTE: THE AMOUNT OF THE 2007 TAXES WAS \$6,072.80.

NOTE: THE FIRST INSTALLMENT OF THE 2008 TAXES HAS BEEN PAID, \$3,036.40.

TAX NO. 17-18-120-094, AS TO A PORTION OF PARCEL 6 AND A PORTION OF PARCEL 9, VOL. 593.

NOTE: THE AMOUNT OF THE 2007 TAXES WAS \$6,285.00.

NOTE: THE FIRST INSTALLMENT OF THE 2008 TAXES HAS BEEN PAID, \$3,142.50.

TAX NO. 17-18-120-095, AS TO A PORTION OF PARCEL 8 AND A PORTION OF PARCEL 9, VOL. 593.

NOTE: THE AMOUNT OF THE 2007 TAXES WAS \$4,900.81.

NOTE: THE FIRST INSTALLMENT OF THE 2008 TAXES HAS BEEN PAID, \$2,450.41.

TAX NO. 17-18-120-096, AS TO A PORTION OF PARCEL 6 AND A PORTION OF PARCEL 9, VOL. 593.

NOTE: THE AMOUNT OF THE 2007 TAXES WAS \$9,352.16.

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NOTE: THE FIRST INSTALLMENT OF THE 2008 TAXES HAS BEEN PAID, \$4,676.08.

TAX NO. 17-18-120-097, AS TO A PORTION OF PARCEL 1 AND A PORTION OF PARCEL 9, VOL. 593.

NOTE: THE AMOUNT OF THE 2007 TAXES WAS \$18,000.32.

NOTE: THE FIRST INSTALLMENT OF THE 2008 TAXES HAS BEEN PAID, \$9,000.16.

TAX NO. 17-18-120-098, AS TO A PORTION OF PARCEL 5 AND A PORTION OF PARCEL 9, VOL. 593.

NOTE: THE AMOUNT OF THE 2007 TAXES WAS \$57,728.94.

NOTE: THE FIRST INSTALLMENT OF THE 2008 TAXES HAS BEEN PAID, \$28,864.47.

NOTE: THE SECOND INSTALLMENT OF THE 2008 TAXES AND THE 2009 TAXES ARE NOT YET DUE AND PAYABLE.

2. SECURITY INTEREST OF REILLY MORTGAGE ASSOCIATES, LP, UNDER A FINANCING STATEMENT EXECUTED BY ST. STEPHAN TERRACE APARTMENTS, AN ILLINOIS LIMITED PARTNERSHIP, AND RECORDED JULY 27, 2006 AS DOCUMENT NO. 0620847015.

NOTE: ASSIGNMENT RECORDED OCTOBER 12, 2007 AS DOCUMENT NUMBER 0728509031 TO WELLS FARGO BANK, NATIONAL ASSOCIATION.

3. RESERVATION CONTAINED IN THE ORDINANCE OF VACATION ORDINANCE PASSED SEPTEMBER 15, 1976, A COPY OF WHICH WAS RECORDED OCTOBER 6, 1976 AS DOCUMENT NUMBER 23662854, FOR THE BENEFIT OF THE COMMONWEALTH EDISON COMPANY AND ILLINOIS BELL TELEPHONE COMPANY, THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, TO OPERATE, MAINTAIN, CONSTRUCT, REPLACE AND RENEW OVERHEAD POLES, WIRES AND ASSOCIATED EQUIPMENT AND UNDERGROUND CONDUIT, CABLES AND ASSOCIATED EQUIPMENT FOR THE TRANSMISSION AND DISTRIBUTION OF ELECTRIC ENERGY AND TELEPHONIC AND ASSOCIATED SERVICES FOR EXISTING FACILITIES AND FUTURE CONSTRUCTION UNDER, OVER AND ALONG ALL OF THE PUBLIC STREET AND PUBLIC ALLEYS AS THEREIN VACATED, WITH THE RIGHT OF INGRESS AND EGRESS, WITH THE FURTHER PROVISION THAT NO BUILDINGS OR OTHER STRUCTURES SHALL BE ERECTED ON THE SAID RIGHT OF WAY THEREIN RESERVED OR OTHER USE MADE OF SAID AREA WHICH WOULD INTERFERE WITH THE CONSTRUCTION, OPERATION, MAINTENANCE, REPAIR, RENEWAL OR REPLACEMENT OF SAID FACILITIES. AFFECTS PARCEL 9.
4. RESERVATION CONTAINED IN THE ORDINANCE OF VACATION PASSED SEPTEMBER 15, 1976, A COPY OF WHICH WAS RECORDED OCTOBER 6, 1976 AS DOCUMENT NUMBER 23662854, FOR THE BENEFIT OF THE PEOPLES GAS,

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8. EASEMENT OVER THE LAND FOR THE PURPOSE OF INSTALLING AND MAINTAINING ALL EQUIPMENT NECESSARY TO SERVE THE SUBDIVISION AND OTHER PROPERTY WITH GAS SERVICE, TOGETHER WITH RIGHT OF ACCESS TO SAID EQUIPMENT, AS CREATED BY GRANT TO THE PEOPLES GAS, LIGHT AND COKE COMPANY, ITS SUCCESSORS AND/OR ASSIGNS, AS CREATED BY GRANT RECORDED MAY 15, 1978 AS DOCUMENT NUMBER 24446058.
9. CONDITIONS, COVENANTS AND RESTRICTIONS CONTAINED IN QUITCLAIM DEED RECORDED AUGUST 19, 1977 AS DOCUMENT NUMBER 24066336 AND FILED AS DOCUMENT LR 2960832 PROVIDING THAT THE LAND WILL BE USED AS SPECIFIED IN APPLICABLE PROVISIONS OF THE REDEVELOPMENT PLAN AND IN THE CONTRACT OF SALE FOR SAID PROPERTY; AND THAT NO DISCRIMINATION ON THE BASIS OF RACE, CREED, COLOR OR NATIONAL ORIGIN SHALL BE MADE IN THE SALE, LEASE, OR RENTAL OR IN USE OR OCCUPANCY OF THE LAND.
10. REGULATORY AGREEMENT FOR LIMITED DISTRIBUTION MORTGAGES DATED FEBRUARY 4, 1981 AND RECORDED SEPTEMBER 29, 1983 AS DOCUMENT NUMBER 26890746 AND FILED JANUARY 31, 1984 AS DOCUMENT LR3352970.
11. EXISTING UNRECORDED LEASES, IF ANY.
12. PROCEEDINGS PENDING IN THE CIRCUIT COURT OF COOK COUNTY, CASE NO. 09M1-400953, ON A COMPLAINT FILED BY THE CITY OF CHICAGO, AND AGAINST ST. STEPHEN TERRACE CORPORATION, ET. AL., FOR BUILDING CODE VIOLATIONS. NOTE: LIS PENDENS RECORDED MARCH 23, 2009 AS DOCUMENT NO. 0908229004.

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LIGHT AND COKE COMPANY, ITS SUCCESSORS AND/OR ASSIGNS, OF ALL OF THE PUBLIC STREET AND PUBLIC ALLEYS AS THEREIN VACATED AS A RIGHT OF WAY FOR EXISTING UNDERGROUND FACILITIES AND FOR THE CONSTRUCTION, OPERATION, MAINTENANCE, REPAIR, RENEWAL AND REPLACEMENT OF SUCH FACILITIES, WITH THE RIGHT OF INGRESS AND EGRESS AT ALL TIMES FOR ANY AND ALL SUCH PURPOSES, WITH THE FURTHER PROVISION THAT NO BUILDINGS OR OTHER STRUCTURES SHALL BE ERECTED ON SAID RIGHT OF WAY THEREIN RESERVED OR OTHER USE MADE OF SAID AREA WHICH WOULD INTERFERE WITH THE CONSTRUCTION, OPERATION, MAINTENANCE, REPAIR, RENEWAL OR REPLACEMENT OF SAID FACILITIES. AFFECTS PARCEL 9.

5. TERMS, CONDITIONS, PROVISIONS AND LIMITATIONS OF THE LAWNDALE CONSERVATION PROJECT AS DISCLOSED BY ORDINANCE APPROVING SAID PLAN, A COPY OF WHICH WAS RECORDED MAY 20, 1968 AS DOCUMENT NUMBER 20494541.

AFFECTS ALL OF PARCEL 1; LOTS 4, 5, 6, 10, 13, 14, 15, 16, 17 AND 18 OF PARCEL 2; ALL OF PARCEL 3 AND PARCEL 4; LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 AND 18 OF PARCEL 5; LOTS 6 (EXCEPT THE WEST 7 FEET), 7, 8, 22 AND 23 OF PARCEL 6; AND LOTS 2, 3 AND 4 OF PARCEL 7 AND PORTIONS OF PARCEL 9.

6. TERMS, CONDITIONS, PROVISIONS AND LIMITATIONS OF THE PROJECT CENTRAL-WEST AS DISCLOSED BY ORDINANCE APPROVING SAID PLAN, A COPY OF WHICH WAS RECORDED JULY 15, 1969 AS DOCUMENT NUMBER 20900204.

AFFECTS THE SOUTH 115 FEET OF THE WEST 20 FEET OF LOT 3, THE EAST 27 AND 1/2 FEET OF THE EAST 55 FEET OF THE SOUTH 115.99 FEET OF LOT 5, THE WEST 27 AND 1/2 FEET OF THE EAST 55 FEET OF THE SOUTH 115.99 FEET OF LOT 5, THE WEST 27 AND 1/2 FEET OF THE SOUTH 111.99 FEET OF LOT 5 OF PARCEL 1; LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 13 AND 14 OF PARCEL 2; LOT 1 OF PARCEL 4; LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 AND 18 OF PARCEL 5; LOTS 6 (EXCEPT THE WEST 7 FEET), 7, 8, 9, 10 AND THE NORTH 5 FEET OF LOT 11, 21, 22 AND 23 OF PARCEL 6; LOTS 1, 2, 3, 4, 5 AND 6 OF PARCEL 7; AND ALL OF PARCEL 8 AND PORTION OF PARCEL 9.

7. EASEMENT IN, UPON, UNDER, OVER AND ALONG THE LAND TO INSTALL AND MAINTAIN ALL EQUIPMENT FOR THE PURPOSE OF SERVING THE LAND AND OTHER PROPERTY WITH TELEPHONE AND ELECTRIC SERVICE, TOGETHER WITH RIGHT OF ACCESS TO SAID EQUIPMENT, AS CREATED BY GRANT TO THE COMMONWEALTH EDISON COMPANY AND ILLINOIS BELL TELEPHONE COMPANY, THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, RECORDED APRIL 6, 1978 AS DOCUMENT NUMBER 24392318.

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