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MORTGAGE AND SECURITY AGREEMENT

HOUSEHOLD BANK, f.s.b, a Federal Savings Bank,  
Mortgagee

AMERICAN NATIONAL BANK & TRUST COMPANY OF CHICAGO, as Trustee  
under Trust Agreement dated October 29, 1984  
and known as Trust No. 62623,  
Mortgagor

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This Document Prepared By  
and Mail To:

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Chicago, IL 60606

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## MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT ("Mortgage") made this 12 day of JUNE, 1986, by

AMERICAN NATIONAL BANK & TRUST COMPANY OF CHICAGO, not personally but as Trustee under Trust Agreement dated October 29, 1984 and known as Trust No. 62623

(herein, whether one or more, and if more than one jointly and severally, called the "Mortgagor), to

HOUSEHOLD BANK, f.s.b., a Federal Savings Bank

(herein, together with its successors and assigns, including each and every from time to time holder of the Note hereinafter referred to, called the "Mortgagee").

WHEREAS, the Mortgagor has, concurrently herewith, executed and delivered to the Mortgagee, the Mortgagor's mortgage note (herein called the "Note") dated the date hereof, in the principal sum of

ONE MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS  
(\$1,650,000.00)

bearing interest at the rate specified therein, due in installments and in any event on July 1, 1993, payable to the order of the Mortgagee, and otherwise in the form of Note attached hereto as Exhibit A and made a part hereof; and

WHEREAS, the indebtedness evidenced by the Note, including the principal thereof and interest and premium, if any, thereon, and any extensions and renewals thereof, in whole or in part, and any and all other sums which may be at any time due or owing or required to be paid as herein or in the Note provided, are herein called the "Indebtedness Hereby Secured."

NOW, THEREFORE, THIS MORTGAGE WITNESSETH:

That to secure the payment of the principal of and interest and premium, if any, on the Note according to its tenor and effect and to secure the payment of all other Indebtedness Hereby Secured and the performance and observance of all the covenants, provisions and agreements herein and in the Note contained (whether or not the Mortgagor is personally liable for such payment, performance and observance) and in consideration of the premises and Ten Dollars (\$10.00) in hand paid by the Mortgagee to the Mortgagor, and for other good and valuable considerations, the receipt and sufficiency of all of which is hereby acknowledged by the Mortgagor, the Mortgagor does hereby GRANT, RELEASE, REMISE, ALIEN, MORTGAGE and CONVEY unto the Mortgagee all and sundry the property (herein together with the property mentioned in the next succeeding paragraphs hereto, called the "Premises") described in Exhibit B attached hereto and made a part hereof.

TOGETHER with and including within the term "Premises", as used herein, any and all improvements, tenements, buildings, easements, fixtures, privileges, reservations, allowances, hereditaments and appurtenances now or hereafter thereunto belonging or pertaining; any and all rights and estates in reversion or remainder; all rights of Mortgagor in or to adjacent sidewalks, alleys, streets and vaults; and any and all rights and interests of every name and nature now or hereafter owned by the Mortgagor, forming a part of and/or used in connection with the real estate and/or the operation and convenience of the buildings and improvements located thereon, including (by way of enumeration but without limitation) all furniture, furnishings, and equipment used or useful in the operation of the real property or improvements thereon or furnished by Mortgagor to

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tenants thereof; all building materials located at the said real estate and intended to be incorporated in improvements now or hereafter to be constructed thereon, whether or not incorporated therein; all machines, machinery, fixtures, apparatus, equipment or articles used to supply heating, gas, electricity, air conditioning, water, light, power, sprinkler protection, waste removal, refrigeration and ventilation, and all floor coverings, screens, storm windows, blinds, awnings, stoves, refrigerators, dishwashers, disposal units, range hoods and blowers, together with all additions thereto and replacements thereof (Mortgagor agreeing to execute such further instruments as requested by Mortgagee to confirm conveyance and transfer of the foregoing); in each case now or hereafter placed in, on or at the Premises (it being understood that the enumeration of any specific articles of property shall in no wise exclude or be held to exclude any items of property not specifically enumerated). As to any of the property aforesaid which does not form a part and parcel of the real estate or does not constitute a fixture (as defined by the Uniform Commercial Code), this Mortgage is hereby deemed to be as well, a Security Agreement under the Uniform Commercial Code for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to the Mortgagee as Secured Party.

AND TOGETHER WITH all of the rents, income, receipts, revenues, issues and profits thereof and therefrom; AND all of the land, estate, property and rights hereinabove described and hereby conveyed and intended so to be, whether real, personal or mixed, and whether or not affixed or annexed to the real estate are intended to be as a part and are hereby understood, agreed and declared to form a part and parcel of the real estate and to be appropriated to the use of the real estate and for the purposes hereof shall be deemed to be real estate conveyed and mortgaged hereby.

Any and all awards or payments, including interest thereon, and the right to receive the same, subject to the provisions of Section 9 hereof, which may be made with respect to the Premises as a result of (a) the exercise of the right of eminent domain, (b) the alteration of the grade of any street, or (c) any other injury to or decrease in the value of the premises, to the extent of all amounts which may be secured by this Mortgage at the date of receipt of any such award or payment by the Mortgagee, and of the reasonable counsel fees, costs and disbursements incurred by the Mortgagee in connection with the collection of such award or payment. The Mortgagor agrees to execute and deliver, from time to time, such further instruments as may be requested by the Mortgagee to confirm such assignment to the Mortgagee of any such award or payment.

All of Mortgagor's rights further to encumber said property for debt except by such encumbrances which, by their actual terms and specifically expressed intent, shall be and at all times remain subject and subordinate to any and all leases and/or tenancies (a) which are in existence when such encumbrances become effective, or (b) which are thereafter created, Mortgagor hereby representing to Mortgagee, as a special inducement to Mortgagee to make this loan, that as of the date hereof, except for that certain wraparound note referred in Section 20(b) hereof, there are no other encumbrances to secure debt, and covenanting that there are to be none as of the date this Mortgage becomes of record, except in either case (i) encumbrances having the prior written approval of Mortgagee, and (ii) Mortgagor's rights to enter into any lease or lease agreement which would create a tenancy that is or may become subordinate in any respect to any mortgage or deed of trust other than this Mortgage.

TO HAVE AND TO HOLD all and sundry the Premises hereby mortgaged and conveyed or intended so to be, together with the rents, issues and profits thereof, unto the Mortgagee forever, free from all rights and benefits under and by virtue of the

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Homestead Exemption Laws and Redemption Laws of the State of Illinois (which rights and benefits are hereby expressly released and waived), for the uses and purposes herein set forth, together with all right to retain possession of the Premises after any default in the payment of all or any part of the Indebtedness Hereby Secured, or the breach of any covenant or agreement herein contained, or upon the occurrence of any Event of Default as hereinafter defined.

PROVIDED, NEVERTHELESS, and these presents are upon the express condition that if all of the Indebtedness Hereby Secured shall be duly and punctually paid and all the terms, provisions, conditions and agreements herein contained on the part of the Mortgagor to be performed or observed shall be strictly performed and observed, then this Mortgage and the estate, right and interest of the Mortgagee in the Premises shall cease and become void and of no effect.

AND IT IS FURTHER AGREED THAT:

1. PAYMENT OF INDEBTEDNESS. The Mortgagor will duly and promptly pay each and every installment of the principal of and interest and premium, if any, on the Note, and all other Indebtedness Hereby Secured, as the same become due, and will duly perform and observe all of the covenants, agreements and provisions herein or in the Note provided on the part of the Mortgagor to be performed and observed.
2. MAINTENANCE, REPAIR, RESTORATION, PRIOR LIENS, PARKING, ETC. Mortgagor will (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed whether or not proceeds of insurance are available or sufficient for the purpose; (b) keep the Premises in good condition and repair, without waste, and free from mechanics', materialmen's or like liens or claims or other liens or claims for lien not expressly subordinated to the lien hereof; (c) pay, when due, any indebtedness which may be secured by a lien or charge on the Premises inferior or superior to the lien hereof, and upon request exhibit satisfactory evidence of the payment or discharge of such lien to the Mortgagee; (d) complete, within a reasonable time, any building or buildings now or at any time in the process of erection upon the Premises; (e) comply with all requirements of law, municipal ordinances or restrictions and covenants of record with respect to the Premises and the use thereof; (f) make no material alterations in the Premises, except as required by law or municipal ordinance; (g) suffer or permit no change in the general nature of the occupancy of the Premises without the Mortgagee's prior written consent; (h) pay all operating costs of the Premises; (i) initiate or acquiesce in no zoning reclassification with respect to the Premises, without the Mortgagee's prior written consent; and (j) provide, improve, grade, surface and thereafter maintain, clean, repair, police and adequately light parking areas within the Premises of sufficient size to accommodate not less than the number of standard size American made automobiles as may be required by local zoning authorities (unless otherwise permitted pursuant to any applicable non-conforming use), codes or other laws whichever may be greater, together with any sidewalks, aisles, streets, driveways and sidewalk cuts and sufficient paved areas for ingress, egress and right-of-way to and from the adjacent public thoroughfares necessary or desirable for the use thereof; and will reserve and use all such parking areas solely and exclusively for the purpose of providing ingress, egress and parking facilities for automobiles and other passenger vehicles of Mortgagor or tenants or invitees of tenants of the Premises; and Mortgagor will not reduce, build upon, obstruct, redesignate or relocate any such parking areas, sidewalks, aisles, streets, driveways, sidewalk cuts or paved areas or rights-of-way or lease or grant any rights to use the same to any other person except tenants and invitees of tenants of the Premises without the prior written consent of the Mortgagee. Subsections (b) and (c)

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notwithstanding, Mortgagor shall have the right to defend and/or contest any liens, claims or indebtedness referred to therein, provided Mortgagor posts sufficient security with Mortgagee to pay for same, or obtains the necessary title insurance to insure over any such lien, claim or indebtedness.

No improvement on the Premises in excess of \$50,000 shall be constructed unless plans and specifications therefor have been first submitted to Mortgagee and approved by it, in the exercise of its sole judgment, as entailing no prejudice to the loan secured hereby or the security therefor. A property management contract satisfactory to Mortgagee with a professional manager acceptable to it shall be in force at all times during the term of the Indebtedness Hereby Secured. It shall be a default hereunder if the management of the Premises is changed or the aforesaid management contract is terminated without Mortgagee's prior written consent. Mortgagor and the Beneficial Owner shall cause the managing agent of the Premises to perform all undertakings and functions necessary to operate the Premises in accordance with prudent and customary management practices. For purposes hereof, Inland Property Management, Inc. shall be initially acceptable to Mortgagee as managing agent for the Premises.

3. TAXES. The Mortgagor will pay when due and before any penalty attaches, all general and special taxes, assessments, water charges, sewer charges, and other fees, taxes, charges and assessments of every kind and nature whatsoever (all herein generally called "Taxes"), whether or not assessed against the Mortgagor, if applicable to the Premises or any interest therein, or the Indebtedness Hereby Secured, or any obligation or agreement secured hereby; and Mortgagor will, within thirty days after the due date thereof, furnish to the Mortgagee, duplicate receipts therefor. To prevent default thereunder, the Mortgagor will pay in full under protest in the manner provided by statute, any Taxes which the Mortgagor may desire to contest; provided, however, that if deferment of payment of any such Taxes is required to conduct any contest or review, the Mortgagor shall deposit the full amount thereof, together with an amount equal to the estimated interest and penalties thereon during the period of contest, with the Mortgagee, which sums shall be deposited in an interest bearing account for the benefit of Mortgagor. In any event, Mortgagor shall (and if Mortgagor shall fail so to do, the Mortgagee may, but shall not be required to, and for the purpose may use the monies deposited as aforesaid, pay all Taxes, notwithstanding such contest, if in the opinion of the Mortgagee, the Premises shall be in jeopardy or in danger of being forfeited or foreclosed. In the event that any law or court decree has the effect of deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the Taxes or liens herein required to be paid by the Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the interest of the Mortgagee in the Premises or the manner of collection of Taxes, so as to affect this Mortgage or the Indebtedness Hereby Secured or the holder thereof, then and in any such event, the Mortgagor upon demand by the Mortgagee, will pay such Taxes or reimburse the Mortgagee therefor. Nothing in this Section 3 contained shall require the Mortgagor to pay any income, franchise or excise tax imposed upon the Mortgagee, excepting only such which may be levied against such income expressly as and for a specific substitute for Taxes on the Premises, and then only in any amount computed as if the Mortgagee derived no income from any source other than its interest hereunder.

4. INSURANCE COVERAGE. The Mortgagor will insure and keep insured all of the buildings and improvements now or hereafter constructed or erected upon the Premises and each and every part and parcel thereof, against such perils and hazards as the Mortgagee may from time to time require, and in any event including:

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- a) Insurance against loss by fire, risks covered by the so-called extended coverage endorsement, in an amount equal to the full replacement value of the Premises; and in any event not less than \$1,650,000;
- b) Public liability insurance against bodily injury and property damage with limits not less than \$1,000,000 single limit coverage, including Dram Shop insurance, if applicable, in the required statutory amounts.
- c) Rental insurance in an amount equal to a minimum of twelve (12) months gross cash rentals from the Premises.
- d) Steam boiler insurance of the type and in the amount as the Mortgagee may require but in any event not less than customarily carried by persons owning or operating like properties, if the Premises has a boiler;
- e) Full flood insurance if Premises is in a flood area, as defined in HUD maps.
- f) Umbrella comprehensive public liability coverage of not less than \$2,000,000.

5. INSURANCE POLICIES. All policies of insurance to be maintained and provided as required by Section 4 hereof shall be in forms and with companies reasonably satisfactory to the Mortgagee and all policies of casualty insurance shall have attached thereto mortgage clauses or endorsements in favor of and with loss payable to and in form satisfactory to the Mortgagee. All such insurance shall provide "all risk" coverage in an amount satisfactory to Mortgagee or an eighty (80%) percent co-insurance basis and shall be carried with companies acceptable to Mortgagee, and the policies and renewals (or certificates evidencing same), marked by the insurer "PAID", shall be delivered to the Mortgagee at least thirty (30) days before the expiration of the old policies and shall have attached thereto standard non-contributing mortgage clauses in favor of and entitling the Mortgagee alone to collect any and all of the proceeds payable under all such insurance, as well as standard waiver of subrogation endorsements, and a provision for thirty (30) days' notice to Mortgagee prior to any cancellation thereof. The Mortgagor will deliver all policies, including additional and renewal policies to the Mortgagee and, in case of insurance policies about to expire, the Mortgagor will deliver renewal policies not less than thirty (30) days prior to the respective dates of expiration.

If the Mortgagor shall fail to keep the Mortgaged Premises insured in accordance with the requirements of Paragraph 4 above, the Mortgagee shall have the right, at its option, to provide for such insurance and pay the premiums thereof, and any amounts paid by the Mortgagee shall constitute additional indebtedness hereby secured by this Mortgage and shall bear interest at the Default Rate.

6. DEPOSITS FOR TAXES AND INSURANCE PREMIUMS. In order to assure the payment of Taxes and insurance premiums payable with respect to the Premises as and when the same shall become due and payable:

- a) The Mortgagor shall deposit with the Mortgagee on the first day of each and every month, commencing with the date the first payment of interest and/or principal and interest shall become due on the Indebtedness Hereby Secured, an amount equal to:
  - (1) One twelfth (1/12) of the Taxes next to become due upon the Premises; provided that, in the case of the first such deposit, there shall be deposited in addition an amount equal to one-twelfth (1/12) of such Taxes next to become due on the Premises multiplied by the number

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of months elapsed between the first day of the month in which the last installment of taxes was paid and the date of such first deposit, plus

(ii) One-twelfth (1/12) of the annual premiums on each policy of insurance upon the Premises; provided that with the first such deposit there shall be deposited in addition, an amount equal to one-twelfth (1/12) of such annual insurance premiums multiplied by the number of months elapsed between the date premiums on each policy were last paid to and including the date of deposit;

provided, that the amount of such deposits (herein generally called "Tax and Insurance Deposits") shall be based upon Mortgagee's reasonable estimate as to the amount of Taxes and premiums of insurance next to be payable; and all Tax and Insurance Deposits shall be held by the Mortgagee without any allowance of interest thereon.

- b) The aggregate of the monthly Tax and Insurance Deposits, together with monthly payments of interest and/or principal and interest payable on the Note shall be paid in a single payment each month, to be applied to the following items in the order stated:
- (i) Taxes and insurance premiums;
  - (ii) Indebtedness Hereby Secured other than principal and interest on the Note;
  - (iii) Interest on the Note;
  - (iv) Amortization of the principal balance of the Note.
- c) The Mortgagee will, out of the Tax and Insurance Deposits, upon the presentation to the Mortgagee by the Mortgagor of the bills therefor, pay the insurance premiums and Taxes or will, upon presentation of receipted bills therefor, reimburse the Mortgagor for such payments made by the Mortgagor. If the total Tax and Insurance Deposits on hand shall not be sufficient to pay all of the Taxes and insurance premiums when the same shall become due, then the Mortgagor shall pay to the Mortgagee on demand any amount necessary to make up the deficiency. If the total of such Deposits exceed the amount required to pay the Taxes and insurance premiums, such excess shall be credited on subsequent payments to be made for such items.
- d) In the Event of a Default in the Note or in the Mortgage, the Mortgagee may, at its option, without being required so to do, apply any Tax and Insurance Deposits on hand on any of the Indebtedness Hereby Secured, in such order and manner as the Mortgagee may elect. When the Indebtedness Hereby Secured has been fully paid, then any remaining Tax and Insurance Deposits shall be paid to the Mortgagor. All Tax and Insurance Deposits are hereby pledged as additional security for the Indebtedness Hereby Secured, and shall be held in trust to be irrevocably applied for the purposes for which made as herein provided, and shall not be subject to the direction or control of the Mortgagor.
- e) Notwithstanding anything to the contrary herein contained, the Mortgagee shall not be liable for any failure to apply to the payment of Taxes and insurance premiums any amounts deposited as Tax and Insurance Deposits unless the Mortgagor, while no Event of Default exists hereunder, shall have requested the Mortgagee in writing to make application of such Deposits on hand to

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the payment of the particular Taxes or insurance premiums for the payment of which such Deposits were made, accompanied by the bills therefor.

- f) Notwithstanding anything to the contrary herein contained, Mortgagor shall not be required to make Tax and Insurance Deposits in the manner set forth above until the occurrence of an Event of Default (as defined in this Mortgage or the Note) and failure to cure within the time provided therein.

7. PROCEEDS OF INSURANCE. The Mortgagor will give the Mortgagee prompt notice of any damage to or destruction of the Premises, and:

- a) In case of loss in excess of \$50,000 covered by policies of insurance, the Mortgagee and Mortgagor, jointly, (or, after entry of decree of foreclosure, the Purchaser at the foreclosure sale or decree creditor, as the case may be) will settle and adjust any claim under such policies and the Mortgagee shall collect and receive any such insurance proceeds and deposit same with the construction escrowee to be distributed in accordance with Paragraph 8 herein. All expenses incurred by the Mortgagee in the adjustment and collection of insurance proceeds shall be so much additional Indebtedness Hereby Secured, and shall be reimbursed to the Mortgagee upon demand.
- b) In the event of any insured damage to or destruction of the Premises or any part thereof in excess of \$50,000 (herein called an "Insured Casualty"), and if no Event of Default as hereinafter defined shall have occurred and be then continuing and the Mortgagor shall not be in default hereunder and the Mortgagee determines that the Premises can be restored or rebuilt within a reasonable period of time, the proceeds of insurance shall be held and distributed for the cost of restoring, repairing, replacing or rebuilding the Premises or part thereof subject to Insured Casualty, as provided for in Section 8 hereof; and the Mortgagor hereby covenants and agrees forthwith to commence and to diligently prosecute such restoring, repairing, replacing or rebuilding; provided, always, that the Mortgagor shall pay all costs of such restoring, repairing, replacing or rebuilding in excess of the proceeds of insurance.
- c) The Mortgagee may apply the proceeds of insurance consequent upon any Insured Casualty upon the Indebtedness Hereby Secured, in such order or manner as the Mortgagee may elect, if an Event of Default exists and be then continuing at the time of any Insured Casualty. In that event, the Mortgagee shall have the right to settle and adjust any claim under such policies without consent of Mortgagor and all expenses and reasonable attorneys' fees incurred by Mortgagee in connection therewith shall be additional Indebtedness Hereby Secured.
- d) In the event that proceeds of insurance, if any, shall be made available to the Mortgagor for the restoring, repairing, replacing or rebuilding of the Premises, the Mortgagor hereby covenants to restore, repair, replace or rebuild the same, to be of at least equal value, and of substantially the same character as prior to such damage or destruction; all to be effected in accordance with plans and specifications to be first submitted to and approved by the Mortgagee.

8. DISBURSEMENT OF INSURANCE PROCEEDS. In the event the Mortgagor is entitled to rebuild or restore out of insurance proceeds, such proceeds shall be deposited with a construction

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escrowee designated by Mortgagee and shall be disbursed from time to time at the joint direction of Mortgagor and Mortgagee, upon the Mortgagee and construction escrowee being furnished with satisfactory evidence of the estimated cost of completion of the restoration, repair, replacement and rebuilding with funds sufficient in addition to the proceeds of insurance to complete the proposed restoration, repair, replacement and rebuilding and with such architect's certificates, waivers of lien, contractor's sworn statements and such other evidences of cost and of payments as the Mortgagee may reasonably require and approve; and the Mortgagee may, in any event, require that all plans and specifications for such restoration, repair, replacement and rebuilding be submitted to and approved by the Mortgagee prior to commencement of work. No payment made prior to the final completion of the restoration, repair, replacement or rebuilding shall exceed ninety percent (90%) of the value of the work performed from time to time; funds other than proceeds of insurance shall be disbursed prior to disbursement of such proceeds; and at all times the undisbursed balance of such proceeds remaining in the hands of the construction escrowee, together with funds deposited for the purpose or irrevocably committed to the satisfaction of the Mortgagee by or on behalf of the Mortgagor for the purpose, shall be at least sufficient in the reasonable judgment of the Mortgagee to pay for the cost of completion of the restoration, repair, replacement or rebuilding, free and clear of all liens or claims for lien. Any interest shall be allowed to the Mortgagor on account of any proceeds of insurance or other funds held in the hands of construction escrowee. Any surplus insurance proceeds which may remain after payment of all costs and expenses for any rebuilding or restoration shall be paid to Mortgagor.

9. CONDEMNATION. The Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the entire proceeds of any award or claim for damages for any of the Premises taken or damaged under the power of eminent domain, or by condemnation including damages to grade. The Mortgagee may elect to apply the proceeds of the award upon or in reduction of the Indebtedness Hereby Secured then most remotely to be paid in the event of a taking of the entire Premises or a partial taking of the Premises which would prevent restoration or rebuilding of at least equal improvements (in size and quality) that were located on the Premises prior to the partial taking (otherwise such proceeds shall be used for restoration or rebuilding), whether due or not, or to require the Mortgagor to restore or rebuild the Premises, in which event, the proceeds shall be held by the Mortgagee and used to reimburse the Mortgagor for the cost of such rebuilding or restoring. If the Mortgagor is obligated to restore or replace the damaged or destroyed buildings or improvements upon the Premises under the terms of any lease or leases which are or may be prior to the lien of this Mortgage, and if such taking does not result in cancellation of such lease or leases, the award shall be used to reimburse the Mortgagor for the cost of restoration and rebuilding; provided always, that Mortgagor is not in default hereunder and that no Event of Default has occurred and is then continuing. If the Mortgagor is required or permitted to rebuild or restore the Premises as aforesaid, such rebuilding or restoration shall be effected solely in accordance with plans and specifications previously submitted to and approved by the Mortgagee, and proceeds of the award shall be paid out in the same manner as is provided in Section 8 hereof for the payment of insurance proceeds towards the cost of rebuilding or restoration. If the amount of such award is insufficient to cover the cost of rebuilding or restoration, the Mortgagor shall pay such costs in excess of the award, before being entitled to reimbursement out of the award. Any surplus which may remain out of the award after payment of such costs of rebuilding or restoration shall, at the option of the Mortgagee, be applied on account of the Indebtedness Hereby Secured, then most remotely to be paid, or be paid to any other party entitled thereto. No interest shall be allowed to Mortgagor on account of any award held by Mortgagee.

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10. STAMP TAX. If, by the laws of the United States of America, or of any state having jurisdiction over the Mortgagor, any tax is due or becomes due in respect of the issuance of the Note, the Mortgagor shall pay such tax in the manner required by such law.

11. PREPAYMENT PRIVILEGE. The Mortgagor shall have the privilege of making prepayments on the principal of the Note (in addition to the required payments thereunder) in accordance with the prepayment provisions set forth in the Note, but not otherwise.

12. EFFECT OF EXTENSIONS OF TIME, AMENDMENTS ON JUNIOR LIENS AND OTHERS. If the payment of the indebtedness Hereby Secured, or any part thereof, be extended or varied, or if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in the Premises, shall be held to assent to such extension, variation or release, and their liability, and the lien, and all provisions hereof, shall continue in full force and effect; notwithstanding any such extension, variation or release. Any person, firm or corporation taking a junior mortgage, or other lien upon the Premises or any interest therein, shall take the said lien subject to the rights of the Mortgagee herein to amend, modify and supplement this Mortgage, the Note and the Assignment hereinafter referred to, and to extend the maturity of 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.

13. EFFECT OF CHANGES IN TAX LAWS. In the event of the enactment after the date hereof by any legislative authority having jurisdiction of the Premises of any law deducting from the value of land for the purposes of taxation, any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by the Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Mortgagee's interest in the Premises, or the method of collecting taxes so as to affect the Mortgage or the Indebtedness Hereby Secured, or the holder thereof, then, and in any such event, the Mortgagor, upon demand by the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee therefor. In the event the Mortgagor fails to pay such taxes or assessments, or fails to reimburse Mortgagee therefor, within sixty (60) days after demand, this will constitute an Event of Default hereunder.

14. COMPLIANCE WITH GOVERNMENTAL, INSURANCE AND OTHER REQUIREMENTS. Mortgagor shall comply with all statutes, ordinances, orders, requirements, or decrees relating to the Premises or the use thereof of any federal, state, or municipal authority, and shall observe and comply with all conditions and requirements necessary to maintain in force the insurance required herein and to preserve and extend any and all rights, licenses, permits (including, but not limited to, zoning variances, special exceptions, and non-conforming uses) privileges, franchises, and concessions which are applicable to the Premises or which have been granted to or contracted for by Mortgagor in connection with any existing or presently contemplated use of the Premises. In the event that any building or other improvement on the Premises must be altered or removed to enable Mortgagor to comply with the foregoing provision of this paragraph, Mortgagor shall not commence any such alterations or removals without Mortgagee's prior approval of the need therefor and the plans and specifications pertaining thereto. After such approval, Mortgagor, at its sole cost and expense, shall effect the alterations or removal so required and approved by Mortgagee. Mortgagor shall not, by act or omission, permit any building or other improvement on land not subject to the lien of this Mortgage to rely on the Premises or any part thereof or any interest therein to fulfill any municipal or governmental

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requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Premises or any interest therein to be so used. Similarly, no building or other improvement on the Premises shall rely on any land not subject to the lien of this Mortgage or any interest therein to fulfill any governmental or municipal requirement. Mortgagor shall not, by act or omission, impair the integrity of the Premises as a single zoning lot separate and apart from all other Premises. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this paragraph shall be void. Mortgagor shall duly and punctually perform and comply with all covenants and conditions expressed as binding upon it under any recorded document or any other agreement of any nature whatsoever binding upon it which pertains to the Premises.

15. MORTGAGEE'S PERFORMANCE OF MORTGAGOR'S OBLIGATIONS. In the Event of Default herein, the Mortgagee either before or after acceleration of the Indebtedness Hereby Secured or the foreclosure of the lien hereof may, but shall not be required to, make any payment or perform any act herein required of the Mortgagor (whether or not the Mortgagor is personally liable therefor) in any form and manner deemed expedient to the Mortgagee; and the Mortgagee may, but shall not be required to, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises, or contest any tax or assessment, and may, but shall not be required to, complete construction, furnishing and equipping of the improvements upon the Premises and rent, operate and manage the Premises and such improvements and pay operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Premises and improvements shall be operational and usable for their intended purposes. All monies paid for any of the purposes herein authorized, and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees and any other monies advanced by the Mortgagee to protect the Premises and the lien hereof, or to complete construction, furnishing and equipping or to rent, operate and manage the Premises and such improvements or to pay any such operating costs and expenses thereof or to keep the Premises and improvements operational and usable for its intended purpose, shall be so much additional Indebtedness Hereby Secured, whether or not they exceed the amount of the Note, and shall become immediately due and payable without notice, and with interest thereon at the Default Rate specified in the Note (herein called the "Default Rate"). Inaction of the Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of the Mortgagor. The Mortgagee, in making any payment hereby authorized (a) relating to taxes and assessments, 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 other prior 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 completion of construction, furnishing or equipping of the improvements or the Premises or the rental, operation or management of the Premises or the payment of operating costs and expenses thereof, Mortgagee may do so in such amounts and to such persons as Mortgagee may deem appropriate and may enter into such contracts therefor as Mortgagee may deem appropriate or may perform the same itself.

16. ACKNOWLEDGEMENT OF DEBT. Mortgagor or the Beneficial Owner of Mortgagor shall furnish from time to time within seven (7) days after Mortgagee's written request, a written statement, duly acknowledged, verifying the amount due upon this Mortgage (as reflected on the books and records of Mortgagee) and whether any alleged offsets or defenses exist against the indebtedness secured by this Mortgage.

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17. RENTS AND LEASES.

A. Mortgagee's Right of Prior Approval. All residential leases of the Premises are and shall be on managing agent's standard form of lease, as amended from time to time. Beneficial Owner shall not, without Mortgagee's prior written consent, (i) make any lease of all or any part of the Premises, except for actual occupancy by the lessee thereunder, (ii) execute an assignment or pledge of any rents of the Premises or of any lease of all or any part of the Premises, except as security for the indebtedness secured hereby, (iii) accept any prepayment of any installment of any rents more than two (2) months before the due date of such installment. Mortgagor agrees to supply Mortgagee, upon ten (10) days prior written request, true and correct copies of all leases for the Premises.

B. Mortgagor's Obligations. Mortgagor, or a Beneficial Owner, but in either case without any cost and expense to Mortgagee, shall (i) at all times promptly and faithfully abide by, discharge and perform all of the covenants, conditions and agreements contained in all leases of all or any part of the Premises, on the part of the landlord thereunder to be kept and performed consistent with prudent and customary management practices, (ii) enforce or secure the performance of all of the covenants, conditions and agreements of such leases on the part of the lessees to be kept and performed consistent with prudent and customary management practices, (iii) appear in and defend any action or proceeding arising under, growing out of or in any manner connected with such leases or the obligations, duties or liabilities of landlord or of the lessees thereunder, (iv) transfer and assign to Mortgagee upon demand, any and all instruments required to effectuate said assignment, (v) furnish Mortgagee, within ten (10) days after a written request by Mortgagee so to do, a written statement containing the names of all lessees, terms of all leases, including the spaces occupied, and the rentals payable thereunder. Any default after expiration of any applicable grace and notice periods under any separate Assignment of Lease or under any Assignment of Rents given as additional security for the indebtedness secured hereby shall constitute a default hereunder on account of which the whole of the indebtedness secured hereby shall at once, at the option of the Mortgagee, become immediately due and payable without notice to the Mortgagor.

C. Mortgage Exoneration. Nothing in this Mortgage or in any other documents relating to the Indebtedness Hereby Secured shall be construed to obligate Mortgagee, expressly or by implication, to perform any of the covenants of Mortgagor or any Beneficial Owner, as landlord, under any of the leases assigned to Mortgagee or to pay any sum of money or damages therein provided to be paid by the landlord, each and all of which covenants and payments Mortgagor agrees to perform and pay.

D. Lessee Attornment. In the event of the enforcement by Mortgagee of the remedies provided for by law or by this Mortgage, the lessee under each lease of all or any part of the Premises shall, at the option of the Mortgagee, attorn to any person succeeding to the interest of Mortgagor or Beneficial Owner, as the case may be, as a result of such enforcement and shall recognize each successor in interest as landlord under such lease without change in the terms or other provisions thereof, provided, however, that said successor in interest shall not be bound by any payment of rent or additional rent for more than one month in advance or any amendment or modification to any lease made without the prior consent of Mortgagee or said successor in interest.

E. Declaration of Subordination. At the option of Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in condemnation) to any and

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all leases of all or any part of the Premises upon the execution by Mortgagee and recording thereof, at any time hereafter, in the Office of the Recorder of Deeds in and for the county wherein the Premises are situated, of a unilateral declaration to that effect. Otherwise, all such leases, including, without limitation, leases currently in force shall be subject and subordinate to the lien and provisions of this Mortgage.

18. INSPECTION OF PREMISES. The Mortgagee shall have the right to inspect the Premises at all reasonable times upon reasonable prior notice, and access thereto shall be permitted for that purpose.

19. FINANCIAL STATEMENTS. Mortgagor or the Beneficial Owner of Mortgagor will furnish Mortgagee at the place where interest upon the Note is then payable, within 120 days after the end of each of Mortgagor's fiscal years, financial and operating statements of the Premises for such fiscal year, in reasonable detail, such statements to be prepared by and certified by the General Partner of the Beneficial Owner of Mortgagor as being true and correct.

20. RESTRICTIONS ON TRANSFER, LIENS, SECONDARY FINANCING OR OTHER ENCUMBRANCES. It shall be an immediate Event of Default and default hereunder if, without the prior written consent of the Mortgagee, any of the following shall occur:

- a) If the Mortgagor shall create, effect or consent to or shall suffer or permit any conveyance, installment sale of the Premises, sale, assignment, transfer, lien, pledge, mortgage, security interest, secondary financing or other encumbrance or alienation of the Premises or any part thereof, or interest therein, excepting only sales or other dispositions of Collateral (herein called "Obsolete Collateral") no longer useful in connection with the operation of the Premises, provided that prior to the sale or other disposition thereof, such Obsolete Collateral has been replaced by Collateral, subject to the first and prior lien hereof, of at least equal value and utility;
- b) If the Mortgagor is a trustee, then if any beneficiary of the Mortgagor shall create, effect or consent to, or shall suffer or permit, any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of such beneficiary's beneficial interest in the Mortgagor, provided, however, that certain \$1,891,906.98 (approximate balance as of 3/31/86) wraparound note from the beneficial owner of Mortgagor to Inland Real Estate Corporation, an Illinois corporation, secured by a collateral assignment of the beneficial interest of Mortgagor, is expressly consented to and permitted by Mortgagee;
- c) If the Mortgagor is a corporation, or if any corporation is a beneficiary of a trustee mortgagor, then if any shareholder of such corporation shall create, effect or consent to or shall suffer or permit any sale, assignment or transfer of more than forty (40%) percent of the corporate shares to ownership of the corporation, or if such corporation shall lien, pledge, mortgage, security interest or otherwise encumber or alienate any such shareholder's shares in such corporation; provided that if such corporation is a corporation whose stock is publicly traded on a national securities exchange or on the "Over The Counter" market, then this Section 17(c) shall be inapplicable;
- d) If the Mortgagor is a partnership, or if any beneficiary of a trustee mortgagor is a partnership, then if any general partner of a general partnership shall transfer more than 40% of the general partnership interest, or if

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any general partner of a limited partnership shall transfer all or any part of the general partnership interest;

in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is affected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided, that the foregoing provisions of this Section 20 shall not apply (i) to liens securing the Indebtedness Hereby Secured, (ii) to the lien of current taxes and assessments not in default or (iii) to any transfers of the Premises or part thereof, or interest therein, or any beneficial interests, or shares of stock or partnership or joint venture interests as the case may be, in the Mortgagor or any beneficiary of a Trustee Mortgagor by or on behalf of an owner thereof who is deceased or declared judicially incompetent, to such owner's heirs, legatees, devisees, executors, administrators, estate, personal representatives and/or committee. The provisions of this Section 20 shall be operative with respect to, and shall be binding upon, any persons who, in accordance with the terms hereof or otherwise, shall acquire any part of or interest in or encumbrance upon the Premises, or such beneficial interest in, share of stock of or partnership or joint venture interest in the Mortgagor or any beneficiary of a Trustee Mortgagor.

Notwithstanding the foregoing, the Mortgagor, without prior written approval of Mortgagee, will permit the transfer or assignment of the Premises or the beneficial interest of Mortgagor to a Permitted transferee, as hereinafter defined.

A Permitted Transferee shall mean any one of the following:

- i) A corporation in which Inland Real Estate Corporation ("Inland") is the controlling shareholder;
- ii) Any general or limited partnership in which Inland is the general partner;
- iii) An Illinois land trust of which a general or limited partnership is the beneficiary and in which Inland is the general partner.

Mortgagor or the beneficial owner of Mortgagor shall provide Mortgagee with prior written notice of any contemplated Permitted Transfer at least ten (10) days prior to the closing of same, identifying the Permitted Transferee and attaching a copy of the proposed agreement of transfer. The sale must substantially conform to the terms of the proposed agreement given to Mortgagee as required above.

Notwithstanding the foregoing, Mortgagee will permit a disposition or transfer of the Premises, beneficial interest, corporate shares or partnership interest and change of management if the new owners have a satisfactory credit standing to Mortgagee and if the new owners are qualified in Mortgagee's opinion to manage and operate the Premises, which shall be in the sole judgment of Mortgagee. However, such approval shall be conditioned upon payment of a fee equaling one (1%) percent of the principal balance of the loan to permit said transfer, plus any other costs incurred by Mortgagee, including reasonable attorneys' fees of its counsel to document such transfer.

In the event Inland forecloses on the security for the wraparound note referred to in paragraph 20(b) herein, or if the Premises are transferred pursuant to a Permitted Transfer or a transfer approved by Mortgagee, and Inland or present Mortgagor's beneficiary or Permitted Transferee forecloses on any purchase money financing in connection with said transfer, said foreclosure action in either event will not constitute any Event of Default under the Note, this Mortgage, or any other documents securing the Note, provided Inland retains or recovers possession

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and management of the Premises, either individually or as General Partner of a general or limited partnership, and provided the successful bidder of any foreclosure proceeding or new purchaser or grantee of deed in lieu of foreclosure is a Permitted Transferee. This provision shall not affect Mortgagee's right to foreclose its Mortgage if there exists any other Event of Default under the loan documents securing the Note.

21. UNIFORM COMMERCIAL CODE. This Mortgage constitutes a Security Agreement under the Uniform Commercial Code of the state in which the Premises are located (herein called the "Code") with respect to any part of the Premises which may or might now or hereafter be or be deemed to be personal property, fixtures or property other than real estate (all for the purposes of this Section 21 called "Collateral"); all of the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Premises; and the following provision of this Section 21 shall not limit the generality or applicability of any other provision of this Mortgage but shall be in addition thereto:

- a) The Mortgagor and the Beneficial Owner (being the Debtor as that term is used in the Code) is and will be the true and lawful owner of the Collateral, subject to no liens, charges or encumbrances other than the lien hereof.
- b) The Collateral is to be used by the Mortgagor solely for business purposes, being installed upon the Premises for Mortgagor's own use, or as the equipment and furnishings furnished by Mortgagor, as landlord, to tenants of the Premises.
- c) The Collateral will be kept at the real estate comprised in the Premises, and will not be removed therefrom without the consent of the Mortgagee (being the Secured Party as that term is used in the Code) by Mortgagor or any other person; and the Collateral may be affixed to such real estate but will not be affixed to any other real estate.
- d) The only persons having any interest in the Premises are the Mortgagor, the Beneficial Owner of Mortgagor and the Mortgagee.
- e) No Financing Statement covering any of the Collateral or any proceeds thereof is on file in any public office except pursuant hereto; and Mortgagor will at its own cost and expense, upon demand, furnish to the Mortgagee such further information and will execute and deliver to the Mortgagee such financing statement and other documents in form satisfactory to the Mortgagee and will do all such acts and things as the Mortgagee may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Indebtedness Hereby Secured, subject to no adverse liens or encumbrances; and the Mortgagor will pay the cost of filing the same or filing or recording such financing statements or other documents, and this instrument, in all public offices wherever filing or recording is deemed by the Mortgagee to be necessary or desirable.
- f) Upon any Event of Default hereunder (regardless of whether the Code has been enacted in the jurisdiction where rights or remedies are asserted) and at any time thereafter (such default not having previously been cured), the Mortgagee at its option may declare the Indebtedness Hereby Secured immediately due and payable, all as more fully set forth in Section 22

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hereof, and thereupon 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 the Mortgagor 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 the Mortgagee shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Mortgagor's right of redemption in satisfaction of the Mortgagor's obligations, as provided in the Code. The Mortgagee without removal may render the Collateral unusable and dispose of the Collateral on the Premises. The Mortgagee may require the Mortgagor to assemble the Collateral and make it available to the Mortgagee for its possession at a place to be designated by Mortgagee which is reasonably convenient to both parties. The Mortgagee will give Mortgagor at least five (5) days' notice of the time and place of any public sale thereof or of the time after which any 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 mail or equivalent, postage prepaid, to the address of Mortgagor shown in Section 47 of this Mortgage, at least five (5) days before the time of the sale or disposition. The Mortgagee may buy 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 private sale. Any such sale may be held as part of and in conjunction with any foreclosure sale of the real estate comprised with the Premises, the Collateral and real estate to be sold as one lot if Mortgagee so elects. 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 legal expenses incurred by Mortgagee, shall be applied in satisfaction of the Indebtedness Hereby Secured. The Mortgagee will account to the Mortgagor for any surplus realized on such disposition.

- g) The remedies of the Mortgagee hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the Code shall not be construed as a waiver of any of the other remedies of the Mortgagee, including having the Collateral deemed part of the realty upon any foreclosure thereof so long as any part of the Indebtedness Hereby Secured remains unsatisfied.
- h) The terms and provisions contained in this Section 21 shall, unless the context otherwise requires, have the meanings and be construed as provided in the Code.

22. EVENTS OF DEFAULT. If one or more of the following events (herein called "Events of Default") shall occur:

- a) If default shall continue for two (2) business days after notice in the due and punctual payment of the Note or any installment thereof, either principal or interest, as and when the same is due and payable, or if default be made for ten (10) days in the making of any other payment of monies required to be made hereunder or under the Note; or

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- b) If an Event of Default pursuant to Section 20 hereof shall occur and be continuing, without notice or period of grace of any kind; or
- c) If default be made in the due and punctual delivery to the Mortgagee of the financial statements required pursuant to Section 19 hereof after ten (10) days written notice; or
- d) If (and for the purpose of this Section 22(d) only), the term Mortgagor shall mean and include not only Mortgagor but any beneficiary of a Trustee Mortgagor:
  - (i) Mortgagor shall file a petition in voluntary bankruptcy under any chapter of the Federal Bankruptcy Act or any similar law, state or federal, now or hereafter in effect, or
  - (ii) The Mortgagor shall file an answer admitting insolvency or inability to pay its debts, or
  - (iii) Within sixty (60) days after the filing against Mortgagor of any involuntary proceedings under such Bankruptcy Act or similar law, such proceedings shall not have been vacated or stayed, or
  - (iv) The Mortgagor shall be adjudicated a bankrupt, or a trustee or receiver shall be appointed for the Mortgagor or for all or the major part of the Mortgagor's property or the Premises, in any involuntary proceeding, or any court shall have taken jurisdiction of all or the major part of the Mortgagor's property or the Premises in any involuntary proceeding for the reorganization, dissolution, liquidation or winding up of the Mortgagor, and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within sixty (60) days, or
  - (v) The Mortgagor shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due or shall consent to the appointment of a receiver or trustee or liquidator of all or the major part of its property, or the Premises, or
- e) If any default after expiration of any applicable grace and notice period shall exist under the provisions of Section 35 hereof or under the Assignment referred to in said Section, or
- f) If default shall continue for thirty (30) days after notice thereof by the Mortgagee to the Mortgagor or not be undertaken to be cured in good faith if such default cannot be reasonably cured within thirty (30) days in the due and punctual performance or observance of any other agreement or condition herein or in the Note contained or any other documents securing the Note; or
- g) If the Premises shall be abandoned;

then the Mortgagee is hereby authorized and empowered, at its option, and without affecting the lien hereby created or the priority of said lien or any right of the Mortgagee hereunder, to declare, without further notice, all Indebtedness Hereby Secured to be immediately due and payable, whether or not such default be thereafter remedied by the Mortgagor, and the Mortgagee may immediately proceed to foreclose this Mortgage and/or to exercise any right, power or remedy provided by this Mortgage and the Note by the Assignment or by law or in equity conferred.

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23. EXPENSES INCURRED BY MORTGAGEE. Any costs, damages, expenses or fees, including reasonable attorneys' fees, incurred by Mortgagee in connection with (i) sustaining the lien of this Mortgage or its priority, (ii) obtaining any commitment for title insurance or title insurance policy, (iii) protecting the Premises, (iv) protecting or enforcing any of Mortgagee's rights hereunder, (v) recovering any indebtedness secured hereby, (vi) any litigation or proceedings (including, but not limited to, bankruptcy, probate and administrative law proceedings) affecting this Mortgage, the Note, or the Premises, arising from the acts of Mortgagor or Beneficial Owner or any person or entity acting by or through Mortgagor or Beneficial Owner, or (vii) preparing for the commencement, defense or participation in any threatened litigation or proceedings as aforesaid, or as otherwise enumerated herein, shall be so much additional indebtedness secured hereby and shall be immediately due and payable by Mortgagor, without notice, with interest thereon at the Default Interest Rate.

24. SECTION 24 IS INTENTIONALLY OMITTED.

25. FORECLOSURE. When the Indebtedness Hereby Secured, or any part thereof, shall become due, whether by acceleration or otherwise, the Mortgagee shall have the right to foreclose the lien hereof for such Indebtedness or part thereof. In any suit or proceeding to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale, all expenditures and expenses which may be paid or incurred by or on behalf of the Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' 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 assurances with respect to title, as the 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 conditions of the title to or the value of the Premises. All expenditures and expenses of the nature in this Section mentioned, and such expenses and fees as may be incurred in the protection of said Premises and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by the Mortgagee in any litigation or proceedings affecting this Mortgage, the Note or the Premises, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by the Mortgagor, with interest thereon at the Default Rate.

26. PROCEEDS OF FORECLOSURE SALE. The proceeds of any foreclosure sale of the Premises 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 Sections 23 and 25 hereof; 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; Fourth to the principal remaining unpaid upon the Note; Fifth, to the extent permitted by law, the amount of any prepayment premium that would otherwise be due and owing if the Mortgage and Note were paid at that time; and lastly, any overplus to the Mortgagor, and its successors or assigns, as their rights may appear.

27. RECEIVER. Upon, or at any time after, the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the Premises. Such appointment may be made either before or after sale, without notice, without regard to solvency or insolvency of the Mortgagor at the time of application for such receiver, and without regard to the then value of the Premises or whether the same shall be

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then occupied as a homestead or not; and the Mortgagee hereunder or any holder of the Note may be appointed as such receiver. Such receiver shall have the power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during any further times when the Mortgagor, except for the intervention of such receiver, would be entitled to collection of such rents, issues and profits and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court may, from time to time, authorize the receiver to apply the net income from the Premises in his hands in payment in whole or in part of:

- a) The Indebtedness Hereby Secured or the indebtedness secured by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to the foreclosure sale; or
- b) The deficiency in case of a sale and deficiency.

28. INSURANCE UPON FORECLOSURE. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct. In the case of foreclosure of this Mortgage, the court, in its decree, may provide that the Mortgagee's clause attached to each of the casualty insurance policies may be cancelled and that the decree creditor may cause a new loss clause to be attached to each of said casualty insurance policies making the loss thereunder payable to said decree creditors and any such foreclosure decree may further provide that in case of one or more redemptions under said decree, pursuant to the statutes in each such case made and provided, then in every such case, each and every successive redeemer may cause the preceding loss clause attached to each casualty insurance policy to be cancelled and a new loss clause to be attached thereto, making the loss thereunder payable to such redeemer. In the event of foreclosure sale, the Mortgagee is hereby authorized, without consent of the Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as the Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of the said insurance policies.

29. WAIVER. The Mortgagor hereby covenants and agrees that it will not at any time insist upon or plead, or in any manner whatsoever claim or take any advantage of, any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, 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 Premises, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provisions herein contained, or to 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. The Mortgagor and Beneficial Owner of Mortgagor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage, on its own behalf and on behalf of each and every person, excepting only decree of judgment creditors of the Mortgagor acquiring any interest or title to the Premises subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of the Mortgagor and of all other persons, are and shall be deemed to be hereby waived to the full extent permitted by the provisions of

Chapter 110, Sections 12-124 and 12-125, Illinois Revised Statutes (1985) or other applicable law or replacement statutes. The Mortgagor will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any right, power or remedy as though no such law or laws have been made or enacted. The Mortgagor hereby expressly waives all homestead rights, if any. If the Mortgagor is a trustee, Mortgagor and the Beneficial Owner represent that the provisions of this Section (including the waiver of redemption rights) were made at the express direction of the Beneficial Owner and the persons having the power of direction over Mortgagor and are made on behalf of the Trust Estate of Mortgagor and all beneficiaries of Mortgagor, as well as other persons mentioned above.

30. WAIVER OF DEFENSES. No action for the enforcement of the lien of this Mortgage shall be subject to any defense which would not be good and available to the party interposing the same in an action of law upon the Note.

31. PARTIAL PAYMENTS. Acceptance by Mortgagee of any payment which is less than payment in full of all amounts due and payable at the time of such payment shall not constitute a waiver of Mortgagee's right to exercise its option to declare the whole of the principal sum then remaining unpaid, together with all accrued interest thereon, immediately due and payable without notice, or any other rights of the Mortgagee at that time or any subsequent time, nor nullify any prior exercise of such option or such rights of Mortgagee without its express consent except and to the extent otherwise provided by law.

32. TENDER OF PAYMENT AFTER ACCELERATION. Upon an Event of Default and following the acceleration of maturity as aforesaid, a tender of payment of the amount necessary to satisfy the entire indebtedness secured hereby made at any time prior to foreclosure sale by Mortgagor, its successors or assigns or by anyone in behalf of Mortgagor, its successors or assigns shall constitute an evasion of the prohibition against prepayment or the premium required in connection therewith, whichever the case may be at the time, and any tender of payment in full following default shall be deemed to be a voluntary prepayment hereunder and such voluntary prepayment to the extent permitted by law, will therefore include the prepayment premium set forth in the Note. In case, after legal proceedings are instituted to foreclose the lien of this Mortgage, tender is made of the entire indebtedness due hereunder, Mortgagee shall be entitled to reimbursement for expenses incurred in connection with such legal proceedings, including such expenditures as are enumerated above, and such expenses shall be so much additional indebtedness secured by this Mortgage, and no such suit or proceedings shall be dismissed or otherwise disposed of until such fees, expenses and charges shall have been paid in full.

33. DELAYS AND OMISSIONS. No delay in the exercise of or failure to exercise any remedy or right accruing or any default under this Mortgage shall impair any such remedy or right to be construed to be a waiver of any such default or acquiescence therein, nor shall it affect any subsequent default of the same or of a different nature.

34. RESCISSION OF ELECTION. Acceleration of maturity, once made by Mortgagee, may, at the option of Mortgagee, be rescinded, and any proceedings brought to enforce any rights or remedies hereunder may, at Mortgagee's option, be discontinued or dismissed, whereupon, in either of such events, Mortgagor and Mortgagee shall be restored to their former positions, and the rights, remedies and power of Mortgagee shall continue as if such acceleration had not been made or such proceedings had not been commenced, as the case may be.

35. ASSIGNMENT. As further security for the Indebtedness Hereby Secured, the Mortgagor and Beneficial Owner by way of joinder to the Assignment have, concurrently herewith, executed

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and delivered to the Mortgagee a separate instrument (herein called the "Assignment") dated as of the date hereof, wherein and whereby, among other things, the Mortgagor and Beneficial Owner have assigned to the Mortgagee all of the rents, issues and profits and/or any and all leases and/or the rights of management of the Premises, all as therein more specifically set forth, which said Assignment is hereby incorporated herein by reference as fully and with the same effect as if set forth herein at length.

36. MORTGAGEE IN POSSESSION. Nothing herein contained shall be construed as constituting the Mortgagee a mortgagee in possession in the absence of the actual taking of possession of the Premises by the Mortgagee pursuant to the Assignment.

37. BUSINESS LOAN. It is understood and agreed that the loan evidenced by the Note and secured hereby is a business loan within the purview of Chapter 17, Section 6404, of the Illinois Revised Statutes (1985) or any substitute, amended or replacement statute, transacted solely for the purpose of carrying on or acquiring the business of the Mortgagor or, if the Mortgagor is a Trustee for the purpose of carrying on or acquiring the business of the beneficiaries of the Mortgagor as contemplated by this Section.

38. TITLE IN MORTGAGOR'S SUCCESSORS. In the event that the ownership of the Premises becomes vested in a person or persons other than the Mortgagor, the Mortgagee may, without notice to the Mortgagor, deal with such successor or successors in interest of the Mortgagor with reference to this Mortgage and the Indebtedness Hereby Secured in the same manner as with the Mortgagor. The Mortgagor will give prompt written notice to the Mortgagee of any conveyance, transfer or change of ownership of the Premises, but nothing in this Section 38 contained shall vary or negate the provisions of Sections 20 and 22 hereof.

39. RIGHTS CUMULATIVE. Each right, power and remedy herein conferred upon the Mortgagee, is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing, at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the Mortgagee, and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy, and no delay or omission of the Mortgagee in the exercise of any right, power or remedy 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.

40. SUCCESSOR AND ASSIGNS. This Mortgage and each and every covenant, agreement and other provisions hereof shall be binding upon the Mortgagor and its successors and assigns (including, without limitation, each and every from time to time record owner of the Premises or any other person having an interest therein), and shall inure to the benefit of the Mortgagee and its successors and assigns. Wherever herein the 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 from time to time holder 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 from time to time holder were herein by name specifically granted such rights, privileges, powers, options and benefits and was herein by name designated the Mortgagee.

41. MORTGAGEE'S RIGHT TO DEAL WITH TRANSFEREE. In the event of the voluntary sale or transfer by operation of law or otherwise, of all or any part of said Premises, Mortgagee is

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hereby authorized and empowered to deal with such vendee or transferee with reference to said Premises, or the debt secured hereby, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might with Mortgagor, without in any way releasing or discharging Mortgagor from said Mortgagor's covenants and undertakings hereunder, and without Mortgagee waiving its rights to accelerate the Note.

42. DEFINITION OF BENEFICIAL OWNER OF MORTGAGOR. The Beneficial Owner is hereby defined to be the present or any future beneficiary of the Mortgagor.

43. FUTURE ADVANCES. Mortgagee may, at its option upon request of Mortgagor, at any time before full payment of this Mortgage, make further advances to Mortgagor, and the same with interest shall be on a parity with, and not subordinate to, the indebtedness evidenced by the Note and shall be secured hereby in accordance with all covenants and agreements herein contained, provided, that the amount of principal secured hereby and remaining unpaid shall not, including the amount of such advances, exceed the original principal sum secured hereby, and provided, that if Mortgagee shall make further advances as aforesaid, Mortgagor shall repay all such advances in accordance with the note or notes, or agreement or agreements, evidencing same, which Mortgagor shall execute and deliver to Mortgagee and which shall be payable no later than the maturity of this Mortgage and shall include such other terms as Mortgagee shall require.

44. PROVISIONS SEVERABLE. The unenforceability or invalidity of any provision or provisions hereof shall not render any other provision or provisions herein contained unenforceable or invalid.

45. SECTION 45 IS HEREBY INTENTIONALLY OMITTED.

46. CAPTIONS AND PRONOUNS. 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.

47. ADDRESSES AND NOTICES. Any notice which any party hereto may desire or may be required to give to any other party shall be in writing, and the mailing thereof by certified mail, return receipt requested, to the following addresses, or to such other place as any party hereto may by notice in writing designate, shall constitute service of notice hereunder and shall be effective two (2) days after mailing.

a) If to the Mortgagee:

Household Bank, f.s.b.  
2700 Sanders Road  
Prospect Heights, IL 60070  
Attention: Richard Backus

b) If to the Mortgagor:

Inland Real Estate Corporation  
2100 Clearwater Drive  
Oak Brook, IL 60521

Attention: Robert H. Baum, General Counsel

48. INTEREST AT THE DEFAULT RATE. Without limiting the generality of any provision herein or in the Note contained, if there is an Event of Default, all of the Indebtedness Hereby Secured shall bear interest at the Default Rate specified in the

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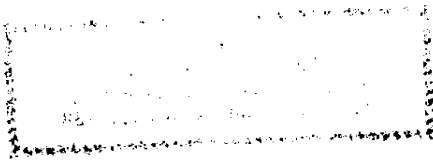
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## MORTGAGE NOTE

\$1,650,000.00

\_\_\_\_\_, 1986

FOR VALUE RECEIVED, the undersigned, AMERICAN NATIONAL BANK & TRUST COMPANY OF CHICAGO, not personally but solely as Trustee under Trust Agreement dated October 29, 1984, and known as Trust No. 62623 (hereinafter called "Borrower"), promises to pay to the order of HOUSEHOLD BANK, f.s.b., a Federal Savings Bank, (and each successive from time to time owner and holder of this Note being herein generally called the "Holder") in the manner provided herein and in the Mortgage hereinafter referred to, the principal sum of

ONE MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS  
(\$1,650,000.00)

together with interest prior to maturity on the balance of principal remaining from time to time unpaid at the annual rate of

NINE AND THREE QUARTERS PERCENT  
(9.75%)

(herein called the "Regular Rate") and interest after maturity or an Event of Default on such balances at the Default Rate hereinafter specified (in each case computed daily on the basis of a 360-day year for each day all or any part of the principal balance hereof shall remain outstanding), principal and interest hereon being payable as hereinafter provided.

The term "Default Rate" shall mean a rate per annum equal to the prime rate (hereinafter defined) in effect from time to time plus three (3%) percent. At no time, however, shall the default rate be less than thirteen (13%) percent nor greater than the maximum interest rate permitted by law. Prime Rate shall be defined as the prime rate most recently published in the Wall Street Journal with such interest rate being adjusted from time to time concurrently with changes occurring to such prime rate from time to time. In the event that more than one prime rate is published in the Wall Street Journal, then the Prime Rate shall be the average of all said prime rates published at that time. If the Prime Rate ceases to be published in the Wall Street Journal, then the Prime Rate shall be the average of the prime rates announced by the five largest national banks at the time.

The Holder of this Note may collect a "late charge" of five (5%) percent of any monthly installment of interest or principal and interest which is not paid on or before the fifth (5th) day after the due date thereof to cover the extra expense involved in handling delinquent payments.

Principal and interest upon this Note shall be paid as follows:

- a) Interest shall be paid by the Borrower at the time of initial disbursement of the proceeds of the loan to Borrower or to an escrowee on the outstanding principal through the last day of the month in which initial disbursement takes place.
- b) Commencing on August 1, 1986 and on the first day of each and every month thereafter, to and including June, 1993, there shall be paid on account of principal and interest at the Regular Rate on this Note the sum of FOURTEEN THOUSAND ONE HUNDRED SEVENTY SIX AND 08/100 (\$14,176.08) DOLLARS; and on the first day of July, 1993 (herein called the "Maturity Date"), the entire outstanding principal balance of this Note, together with accrued and unpaid interest thereon, shall be due and payable.

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- c) THIS IS A BALLOON NOTE AND ON THE MATURITY DATE A SUBSTANTIAL PORTION OF THE PRINCIPAL AMOUNT OF THIS NOTE WILL REMAIN UNPAID BY THE MONTHLY PAYMENTS ABOVE REQUIRED.
- d) All payments on account of the indebtedness evidenced by this Note shall be first applied to interest on the unpaid principal balance hereof, and the remainder to principal.

Payments upon this Note shall be made at such place as the Holder of this Note may from time to time in writing appoint, provided that in the absence of such appointment such payments shall be made at 2700 Sanders Road, Prospect Heights, Illinois, Attention: Mortgage Banking Division. All payments upon this Note shall be payable in lawful money of the United States of America which shall be legal tender for public and private debts at the time of payment.

This Note is given to evidence an actual loan (the "Loan") in the above amount and is the Note referred to in and secured by:

- a) A Mortgage and Security Agreement (herein called the "Mortgage") to Holder bearing even date herewith, on certain real estate and personalty (herein called the "Premises") in Cook County, Illinois, granting to Borrower a first lien on and first security interest in the Premises; and
- b) An Assignment of Rents and Leases (herein called the "Assignment") bearing even date herewith, assigning to Holder all of the rents, issues and profits of and from the Premises and certain leases thereof; and
- c) Irrevocable Notice to Trustee;
- d) Other and sundry collateral instruments further securing the payment of the principal sum.

All of the foregoing is referred to herein individually and collectively as "Collateral".

Reference is hereby made to the Mortgage and Security Agreement, Irrevocable Notice to Trustee, and other Collateral, which are hereby incorporated herein by this reference as fully and with the same effect as if set forth herein at length, for a description of the Premises, a statement of the covenants and agreements of the mortgagor, a statement of the rights, remedies and security afforded thereby, and all other matters therein contained.

Prepayment of all or any part of the principal sum is prohibited for a period of forty eight (48) months from the initial funding of the proceeds of the Loan hereunder. Thereafter, the Borrower shall have the right to prepay the principal sum, plus all accrued unpaid interest, in full, upon the giving to the Holder hereof thirty (30) days prior written notice of the intention to prepay, and by paying, in addition to the unpaid principal sum and accrued interest thereon, a prepayment premium equal to the following amounts if prepayment is made during the following years of the Loan:

- a) Three (3%) percent of the outstanding principal balance during the fifth (5th) year of the loan;
- b) Two (2%) percent of the outstanding principal balance during the sixth (6th) year of the loan;
- c) One (1%) percent of the outstanding principal balance during the seventh (7th) year of said loan.

The year of the Loan shall be defined as twelve-month periods commencing on the initial disbursement of the proceeds of the Loan and on each anniversary date thereof.

The occurrence of any one of the following events shall constitute a default by the Borrower ("Event of Default") under this Note:

- a) If default shall continue for two (2) business days after notice in the due and punctual payment of the Note or any installment thereof, either principal or interest, as and when the same is due and payable, or if default be made for ten (10) days in the making of any other payment of monies required to be made hereunder or under any other documents securing the Note; or
- b) If an Event of Default pursuant to Section 20 of the Mortgage shall occur and be continuing, without notice or period of grace of any kind; or
- c) If default be made in the due and punctual delivery to the Mortgagee of the financial statements required pursuant to Section 19 of the Mortgage after ten (10) days written notice; or
- d) If (and for the purpose of Section 22(d) only of the Mortgage), the term Mortgagor shall mean and include not only Mortgagor but any beneficiary of a Trustee Mortgagor:
  - i) Mortgagor shall file a petition in voluntary bankruptcy under any chapter of the Federal Bankruptcy Act or any similar law, state or federal, now or hereafter in effect, or
  - ii) The Mortgagor shall file an answer admitting insolvency or inability to pay its debts, or
  - iii) Within sixty (60) days after the filing against Mortgagor of any involuntary proceedings under such Bankruptcy Act or similar law, such proceedings shall not have been vacated or stayed, or
  - iv) The Mortgagor shall be adjudicated a bankrupt, or a trustee or receiver shall be appointed for the Mortgagor or for all or the major part of the Mortgagor's property or the Premises, in any involuntary proceeding, or any court shall have taken jurisdiction of all or the major part of the Mortgagor's property or the Premises in any involuntary proceeding for the reorganization, dissolution, liquidation or winding up of the Mortgagor, and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within sixty (60) days, or
  - v) The Mortgagor shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due or shall consent to the appointment of a receiver or trustee or liquidator of all or the major part of its property, or the Premises, or
- e) If any default after expiration of any applicable grace and notice period shall exist under the provisions of Section 35 of the Mortgage or under the Assignment referred to in said Section, or

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- f) If default shall continue for thirty (30) days after notice thereof by the Mortgagee to the Mortgagor or not be undertaken to be cured in good faith if such default cannot be reasonably cured within thirty (30) days in the due and punctual performance or observance of any other agreement or condition herein or in the Mortgage contained or any other documents securing the Note; or
- g) If the Premises shall be abandoned.

Upon the occurrence of an Event of Default, without notice or demand by Holder to Borrower: (i) the principal sum remaining unpaid hereon, together with accrued interest thereon at the Default Rate, shall be and become immediately due and payable at the place provided for payment and the Holder shall have the right to foreclose the Mortgage and simultaneously pursue any other legal remedy to which it is entitled pursuant to the Mortgage or any other Collateral documents; (ii) Holder may exercise any one or more of the rights and remedies accruing to a secured party under the Uniform Commercial Code of the relevant jurisdiction and any other applicable law upon default by a debtor; (iii) Holder may enter, without process of law and without breach of the peace, any premises where the real or personal property secured by the Collateral is or may be located, and may seize or remove same from said premises and/or remain upon said premises and use the same for the purpose of collecting, preparing and disposing of the real or personal property secured by the Collateral; and/or (iv) Holder may sell or otherwise dispose of the property secured by the Collateral at public or private sale for cash or credit.

Upon an Event of Default, Borrower, immediately upon demand by Holder shall assemble the property secured by the Collateral and make it available to Holder at a place or places to be designated by Holder which is reasonably convenient to Holder and Borrower.

Upon an Event of Default, a tender of payment of the amount necessary to satisfy the entire indebtedness evidenced hereby made at any time prior to sale under foreclosure of the Mortgage and other Collateral securing this Note, will constitute an evasion of the prohibition against prepayment, or the premium required in connection therewith, whichever the case may be at the time, and it is agreed that any foreclosure decree or tender of payment will, to the extent permitted by law, include a premium of four (4%) percent of the principal sum, if tendered prior to forty eight (48) months from the date of initial funding of the principal sum, or if tendered thereafter, the prepayment premium specified hereinabove.

Borrower warrants and represents to Holder that Borrower shall use the proceeds represented by this Note solely for proper business purposes and consistently with all applicable laws and statutes.

All of the Holder's rights and remedies under this Note are cumulative and non-exclusive. The acceptance by Holder of any partial payment made hereunder will not establish a custom, or waive any rights of Holder to enforce prompt payment hereof. Holder's failure to require strict performance by Borrower of any provision of this Note shall not waive, affect or diminish any right of Holder thereafter to demand strict compliance and performance therewith. Any waiver of an Event of Default hereunder shall not suspend, waive or affect any other Event of Default hereunder. Borrower waives presentment, demand and protest and notice of presentment, protest, default, non-payment, maturity, release, compromise, settlement, extension or renewal of this Note, and hereby ratify and confirm whatever Holder may do in this regard. Borrower further waives any and all notice or demand to which Borrower might be entitled with respect to this

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Note by virtue of any applicable statute or law (to the extent permitted by law).

Borrower hereby expressly waives any and all rights of redemption from sale under any order of decree of foreclosure of this Note or the Mortgage securing this Note, on its own behalf and on behalf of each and every person, it being the intent hereof that any and all such rights of redemption of the Borrower and of all other persons are and shall be deemed to be hereby waived to the full extent permitted by law.

Borrower agrees to pay, upon Holder's demand therefor, any and all costs, fees and expenses (including reasonable attorneys' fees, costs and expenses) incurred in enforcing any of Holder's rights hereunder.

Any notice which any party hereto may desire or may be required to give any other party shall be made in accordance with the Addresses and Notices section set forth in the Mortgage.

This Note is submitted by Borrower to Holder at Holder's principal place of business and shall be deemed to have been made thereat. This Note shall be governed and controlled by the laws of the State of Illinois as to interpretation, enforcement, validity, construction, effect, choice of law and in all other respects.

To induce Holder to accept this Note, Borrower, irrevocably agrees that, subject to the Holder's sole and absolute election, all actions or proceedings in any way, manner or respect, arising out of or from or related to this Note shall be litigated in courts having situs within the City of Chicago, State of Illinois. Borrower hereby consents and submits to the jurisdiction and venue of any local, state or federal court located within said city and state, and to the extent permitted by law, waives any defense of improper venue or forum non conveniens in such action.

This Note is executed by American National Bank & Trust Company of Chicago, not personally but as trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such trustee, and is payable only out of the property specifically described in said Mortgage and Collateral securing the payment hereof, by the enforcement of the provisions contained in said Mortgage and other Collateral. No personal liability shall be asserted or be enforceable against the promisor or any person interested beneficially or otherwise in said property specifically described in said Mortgage and Collateral given to secure the payment hereof, or in the property or funds at any time subject to said trust agreement, because or in respect of this Note or the making, issue or transfer thereof, all such liability, if any, being expressly waived by each taker and holder hereof, but nothing herein contained shall modify or discharge the personal liability expressly assumed by the guarantor hereof, if any, and each original and successive holder of this Note accepts the same upon the express condition that no duty shall rest upon the undersigned to sequester the rents, issues and profits arising from the property described in said Mortgage and other Collateral, or the proceeds arising from the sale or other disposition thereof, but that in case of default in the payment of this Note or of any installment hereof, the sole remedy of the Holder hereof shall be by foreclosure of the said Mortgage or other Collateral given to secure the indebtedness evidenced by this Note, in accordance with the terms and provisions in said Mortgage or other Collateral set forth or by action to enforce the personal liability of the guarantor, if any, of the payment hereof, or both.

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IN WITNESS WHEREOF, AMERICAN NATIONAL BANK & TRUST COMPANY OF CHICAGO, not personally but solely as Trustee aforesaid, has executed this Note as of the date first above written.

AMERICAN NATIONAL BANK & TRUST COMPANY OF CHICAGO, not personally, but solely as Trustee aforesaid

By: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

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EXHIBIT B  
LEGAL DESCRIPTION FOR  
PARKWAY PLAZA APARTMENTS  
NORRIDGE, ILLINOIS

THE NORTH 230 FEET OF THE EAST 1001.68 FEET (EXCEPTING THEREFROM THE WESTERLY 708.68 FEET THEREOF AND EXCEPTING THEREFROM THAT PART TAKEN FOR SAYRE AVENUE) OF THAT PART OF THE SOUTH 1/2 OF THE WEST 1/2 OF THE NORTH WEST 1/4 OF SECTION 18, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index No. 13-18-100-094  
13-18-100-095

Property Address:

4542-4554 Sayre and  
7001-7005 Wilson  
NorrIDGE, Illinois

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