property that is used or useful in connection therewith, including rights of ingress and egress and all reversionary rights or interests of Mortgagor with respect to such property and further including any beneficial interest or power of direction in any trust, the trustee of which holds title to the Mortgaged Property or any part thereof. If the estate of Mortgagor in any of the above-described property is a leasehold estate (the "Leasehold Estate"), the conveyance shall include and the lien and security interest created hereby shall encumber all additional title, estate, interest, and other rights that may hereafter be acquired by Mortgagor in the property demised under the lease creating the Leasehold Estate. The above-described property is collectively referred to herein as the "Mortgaged Property."

TO HAVE AND TO HOLD the Mortgaged Property, together with the rights, privileges and appurtenances thereto belonging, unto the Mortgagee and the Mortgagee's substitutes or successors, forever, and Mortgagor hereby binds Mortgagor and Mortgagor's heirs, executors, administrators, personal representatives, successors and assigns to warrant and forever defend the Mortgaged Property unto the Mortgagee, the Mortgagee's successors and assigns against the claim or claims of all persons claiming or to claim the same or any part thereof.

ARTICLE I

INDEBTEDNESS

This Mortgage is given to secure the following:

1.1 Note. Payment of the indebtedness evidenced by the Promissory Note (the "Note") of even date herewith in the principal amount of One Million Six Hundred Thousand and No/100 Dollars ($1,600,000.00), executed by Mortgagor, payable to the order of RepublicBank Houston, National Association, whose address is 700 Louisiana, Post Office Box 299001, Houston, Texas 77299, bearing interest and being payable as set forth therein, and all extensions, modifications, increases and renewals thereof made from time to time.

1.2 Loan Agreement. Performance of all obligations of Mortgagor under any loan agreement, financing agreement or any other agreement (collectively, the "Loan Agreement") between Mortgagor and Mortgagee or among Mortgagor, Mortgagee and any other parties pertaining to the use of the proceeds of the Note.

1.3 Mortgage. Payment of all sums advanced by Mortgagee to or for the benefit of Mortgagor contemplated hereby and performance of all obligations and covenants herein contained.

1.4 Other Indebtedness. Payment of all other indebtedness, of whatever kind or character, now owing or that may hereafter become owing by Mortgagor to Mortgagee, whether such indebtedness is evidenced by note, open account, overdraft, endorsement, surety agreement, guaranty, or otherwise.

The obligations above described are hereinafter collectively called the "Indebtedness." This Mortgage, the Note, the Loan Agreement and any other instrument given to evidence or further secure, govern or guarantee the Indebtedness are hereinafter collectively called the "Loan Instruments." All payments on the Indebtedness shall be payable at the address of Mortgagee as set forth above and, unless otherwise provided in any instrument evidencing the Indebtedness, shall bear interest at the rate set forth in the Note, but not in excess of the highest rate permitted by applicable law, from the date of accrual of the Indebtedness until paid.

ARTICLE II

ASSIGNMENT OF RENTS AND LEASES

2.1 Assignment of Rents, Profits, etc. All of the rents, royalties, bonuses, issues, profits, revenue, income, and other

benefits derived from the Mortgaged Property or arising from the use or enjoyment of any portion thereof or from any lease or agreement pertaining thereto and liquidated damages following default under such leases, and all proceeds payable under any policy of insurance covering loss of rents resulting from untenantability caused by damage to any part of the Mortgaged Property, together with any and all rights that Mortgagor may have against any tenant under such leases or any subtenants or occupants of any part of the Mortgaged Property (hereinafter called the "Rents"), are hereby absolutely and unconditionally assigned to Mortgagee, to be applied by Mortgagee in payment of the Indebtedness. Prior to an Event of Default (as hereinafter defined), Mortgagor shall have a license to collect and receive all Rents as trustee for the benefit of Mortgagee and Mortgagor, and Mortgagor shall apply the funds so collected first to the payment of the Indebtedness in such manner as Mortgagee elects and thereafter to the account of Mortgagor.

2.2 Assignment of Leases. Mortgagor hereby assigns to Mortgagee all existing and future leases, including subleases thereof, and any and all extensions, renewals, modifications, and replacements thereof, upon any part of the Mortgaged Property (the "Leases"). Mortgagor hereby further assigns to Mortgagee all guaranties of tenants' performance under the Leases. Prior to an Event of Default, Mortgagor shall have the right, without joinder of Mortgagee, to enforce the Leases, unless Mortgagee directs otherwise.

2.3 Warranties Concerning Leases and Rents. Mortgagor represents and warrants that:

(a) Mortgagor has good title to the Leases and Rents hereby assigned and authority to assign them, and no other person or entity has any right, title or interest therein;

(b) all existing Leases are valid, unmodified and in full force and effect, except as indicated herein, and no default exists thereunder;

(c) unless otherwise provided herein, no Rents have been or will be assigned, mortgaged or pledged;

(d) no Rents have been or will be anticipated, waived, released, discounted, set off or compromised; and

(e) except as indicated in the Leases, Mortgagor has not received any funds or deposits from any tenant for which credit has not already been made on account of accrued Rents.

2.4 Grantor's Covenants of Performance. Mortgagor covenants to:

(a) perform all of Mortgagor's obligations under the Leases and give prompt notice to Mortgagee of any failure to do so;

(b) give immediate notice to Mortgagee of any notice Mortgagor receives from any tenant or subtenant under any Leases, specifying any claimed default by any party under which Leases, excluding, however, notice of default under residential leases;

(c) enforce the tenants' obligations under the Leases;

(d) defend, at Mortgagor's expense, any proceeding pertaining to the Leases, including, if Mortgagee so requests, any such proceeding to which Mortgagee is party; and

(e) neither create nor permit any encumbrance upon Mortgagor's interest as lessor of the Lease, except this

Mortgagee and any other encumbrances permitted by this Mortgage.

2.5 Prior Approval for Actions Affecting Leases. Mortgagor shall not, without the prior written consent of Mortgagee:

(a) receive or collect Rents more than one month in advance;

(b) encumber or assign future Rents;

(c) waive or release any obligation of any tenant under the Leases;

(d) cancel, terminate or modify any of the Leases, cause or permit any cancellation, termination or surrender of any of the Leases, or commence any proceedings for dispossession of any tenant under any of the Leases, except upon default by the tenant thereunder;

(e) renew or extend any of the Leases, except pursuant to terms in existing Leases, or

(f) permit any assignment of the Leases.

2.6 Settlement for Termination. Mortgagor agrees that no settlement for damages for termination of any of the Leases under the Federal Bankruptcy Code, or under any other federal, state, or local statute, shall be made without the prior written consent of Mortgagee, and any check in payment of such damages shall be made payable to both Mortgagor and Mortgagee. Mortgagor hereby assigns any such payment to Mortgagee, to be applied to the Indebtedness as Mortgagee may elect, and agrees to endorse any check for such payment to the order of Mortgagee.

2.7 Mortgagee in Possession. Mortgagee's acceptance of this assignment shall not, prior to entry upon and taking possession of the Mortgaged Property by Mortgagee, be deemed to constitute Mortgagee a "mortgagee in possession," nor obligate Mortgagee to appear in or defend any proceeding relating to any of the Leases or to the Mortgaged Property, take any action hereunder, expend any money, incur any expenses, or perform any obligation or liability under the Leases, or assume any obligation for any deposits delivered to Mortgagor by any lessee and not delivered to Mortgagee. Mortgagee shall not be liable for any injury or damage to person or property in or about the Mortgaged Property.

2.8 Appointment of Attorney. Mortgagor hereby appoints Mortgagee Mortgagor's attorney-in-fact, coupled with an interest, empowering Mortgagee to subordinate any Leases to this Mortgagee.

2.9 Indemnification. Mortgagor hereby agrees to indemnify and hold Mortgagee harmless from all liability, damage or expense incurred by Mortgagee from any claims under the Leases, including, without limitation, claims by tenants for security deposits or for rental payments more than one (1) month in advance and not delivered to Mortgagee. All amounts indemnified against hereunder, including reasonable attorneys' fees, if paid by Mortgagee shall bear interest at the maximum lawful rate and shall be payable by Mortgagor immediately without demand and shall be secured hereby.

2.10 Records. Upon request by Mortgagee, Mortgagor shall deliver to Mortgagee executed originals of all leases and copies of all records relating thereto.

2.11 Merger. There shall be no merger of the leasehold estates created by the Leases, with the fee estate of the Land without the prior written consent of Mortgagee.

2.12 Right to Reply. Mortgagor hereby authorizes and directs the tenants under the Leases to pay Rents to Mortgagee upon written demand by Mortgagee, without further consent of Mortgagor, and the tenants may rely upon any written statement delivered by Mortgagee to the tenants. Any such payment to Mortgagee shall constitute payment to Mortgagor under the Leases.

ARTICLE III

SECURITY AGREEMENT

3.1 Security Interest. This Mortgagee shall be a security agreement between Mortgagor, as the debtor, and Mortgagee, as the secured party, covering the Mortgaged Property constituting personal property or fixtures governed by the Illinois Uniform Commercial Code, Ill. Rev. Stat. Ch. 26, §1-101 et seq. (hereinafter called the "Code"), and Mortgagor grants to Mortgagee a security interest in such portion of the Mortgaged Property. In addition to Mortgagee's other rights hereunder, Mortgagee shall have all rights of a secured party under the Code. Mortgagor shall execute and deliver to Mortgagee all financing statements that may be required by Mortgagee to establish and maintain the validity and priority of Mortgagee's security interest, and Mortgagor shall bear all costs thereof, including all Code searches reasonably required by Mortgagee. If Mortgagee should dispose of any of the Mortgaged Property pursuant to the Code, ten (10) days' written notice by Mortgagee to Mortgagor shall be deemed to be reasonable notice; provided, however, Mortgagee may dispose of such property in accordance with the foreclosure procedures of this Mortgage in lieu of proceeding under the Code.

3.2 Notice of Changes. Mortgagor shall give advance notice in writing to Mortgagee of any proposed change in Mortgagor's name, identity, or structure and shall execute and deliver to Mortgage, prior to or concurrently with the occurrence of any such change, all additional financing statements that Mortgagee may require to establish and maintain the validity and priority of Mortgagee's security interest with respect to any of the Mortgaged Property described or referred to herein.

3.3 Fixtures. Some of the items of the Mortgaged Property described herein are goods that are or are to become fixtures related to the Land, and it is intended that, as to those goods, this Mortgage shall be effective as a financing statement filed as a fixture filing from the date of its filing for record in the real estate records of the county in which the Mortgaged Property is situated. Information concerning the security interest created by this instrument may be obtained from Mortgagee, as secured party, at the address of Mortgagee stated above. The mailing address of the Mortgagor, as debtor, is as stated above.

ARTICLE IV

REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS OF MORTGAGOR

Mortgagor does hereby covenant, warrant and represent to and agree with Mortgagee as follows:

4.1 Payment and Performance. Mortgagor shall make all payments on the Indebtedness when due and shall punctually and properly perform all of Mortgagor's covenants, obligations and liabilities under the Loan Instruments.

4.2 Title to Mortgaged Property and Lien of the Mortgage. Mortgagor has good and indefeasible title to the Land and the Improvements, and good and marketable title to the Personal Property, free and clear of any liens, charges, encumbrances, security interests, and adverse claims whatsoever, except as otherwise provided herein. If the interest of Mortgagee in the

Mortgaged Property or any part thereof shall be endangered or shall be attacked, directly or indirectly, Mortgagor hereby authorizes Mortgagee, at Mortgagor's expense, to take all necessary and proper steps for the defense of such interest, including the employment of counsel, the prosecution or defense of litigation, and the compromise or discharge of claims made against such interest.

4.3 Organization and Power. Mortgagor is an Illinois limited partnership duly organized and validly existing under applicable state laws, and all Loan Instruments are within Mortgagor's powers, have been duly authorized by all requisite action and are not in contravention of law or the power of Mortgagor's partnership or joint venture agreement, as the case may be. Mortgagor has made all partnerhship filings required under Illinois law with respect to Mortgagor and the Mortgaged Property.

4.4 Existence of Mortgagor. Mortgagor shall preserve and keep in full force and effect Mortgagor's existence, rights, franchises, and trade names.

4.5 Insurance. Mortgagor shall, at Mortgagor's sole cost and expense, obtain and maintain (a) title insurance (in the form of a commitment, binder or policy as Mortgagee may require), and (b) insurance upon and relating to all insurable Mortgaged Property by all risk insurance policies, and, if requested by Mortgagee, shall include perils of collapse, flood, earthquake, as well as other insurance coverages, all in form and in companies acceptable to Mortgagee, in amounts equal to 100% of the replacement cost of the Improvements during the construction thereof and at least 80% of the replacement cost of the Improvements not under construction, or in such additional amounts as Mortgagee may require with loss made payable to Mortgagee and with a standard form mortgagee clause. Such policies shall provide for at least thirty (30) days' written notice to Mortgagee prior to cancellation of such policies or any material change in the risk or coverage insured. Mortgagor shall deliver the policies of insurance to Mortgagee promptly as issued and if Mortgagor fails to do so, Mortgagee, at its option, may procure such insurance at Mortgagor's expense. All renewal and substitute policies of insurance shall be delivered at the office of Mortgagee, premiums paid, at least ten (10) days before termination of policies therefore delivered to Mortgagee. In case of loss, Mortgagee, at its option, shall be entitled to receive and retain the proceeds of the insurance policies and apply the same on the Indebtedness. If any loss shall occur at any time when Mortgagor shall be in default hereof, Mortgagee shall be entitled to the benefit of all insurance held by or for any Mortgagor, to the same extent as if it had been made payable to Mortgagee, and upon foreclosure hereunder, Mortgagee shall become the owner thereof.

4.6 Taxes and Assessments. Mortgagor shall pay all taxes and assessments against or affecting the Mortgaged Property as the same become due and payable, and, upon request by Mortgagee, Mortgagor shall deliver to Mortgagee such evidence of the payment thereof as Mortgagee may require, and, if Mortgagor fails to do so, Mortgagee may pay them, together with all costs and penalties thereon, at Mortgagor's expense; provided, however, that Mortgagor may in good faith, in lieu of paying such taxes and assessments as they become due and payable, by appropriate proceedings, contest the validity thereof. Pending such contest, Mortgagor shall not be deemed in default hereunder because of such nonpayment if, prior to delinquency of the asserted tax or assessment, Mortgagor furnishes Mortgagee an indemnity bond secured by a deposit in cash or other security acceptable to Mortgagee, or with a surety acceptable to Mortgagee, in the amount of the tax or assessment being contested by Mortgagor plus a reasonable additional sum to pay all costs, interest and penalties that may be imposed or incurred in connection therewith, conditioned that such tax or assessment, with interest, cost and penalties, be paid as herein

stipulated, and if Mortgagor promptly pays an amount adjudged by a court of competent jurisdiction to be due, with all costs penalties and interest thereon, on or before the date such judgment becomes final; provided that in any event the tax, assessment, penalties, interest and costs shall be paid prior to the date on which any writ or order is issued under which the Mortgaged Property may be sold in satisfaction thereof.

4.7 Tax and Insurance Escrow. At the request of Mortgagee, Mortgagor shall create a fund or reserve for the payment of all insurance premiums, taxes and assessments against or affecting the Mortgaged Property by paying to Mortgagee, with each installment payment under the Note prior to the maturity of the Note, a sum equal to the premiums that will next become due and payable on the hazard insurance policies covering the Mortgaged Property, or any part thereof, plus taxes and assessments next due on the Mortgaged Property, or any part thereof, as estimated by Mortgagee, less all sums paid previously to Mortgagee therefor, divided by the number of installment payments to be made before one month prior to the date when such premiums, taxes and assessments will become delinquent, such sums to be held by Mortgagee, without interest, unless interest is required by applicable law, for the purpose of paying such premiums, taxes and assessments. Any excess reserve shall, at the discretion of Mortgagee, be credited by Mortgagee on subsequent reserve payments or subsequent payments to be made on the Note, and any deficiency shall be paid by Mortgagor to Mortgagee before one month prior to the date when such premiums, taxes and assessments shall become delinquent. Transfer of legal title to the Mortgaged Property shall automatically transfer the interest of Mortgagor in all sums deposited with Mortgagee under the provisions hereof or otherwise.

4.8 Condemnation. All judgments, decrees and awards for injury or damage to the Mortgaged Property, and all awards pursuant to proceedings for condemnation thereof, are hereby assigned in their entirety to Mortgagee, who may apply the same to the Indebtedness in such manner as it may elect; and Mortgagee is hereby authorized, in the name of Mortgagor, to execute and deliver valid acquittances for, and to appeal from any such award, judgment or decree. Immediately upon Mortgagor obtaining knowledge of the institution or the threatened institution of any proceedings for the condemnation of the Mortgaged Property, Mortgagor shall notify Mortgagee of such fact. Mortgagor shall then, if requested by Mortgagee, file or defend Mortgagor's claim thereunder and prosecute same with due diligence to its final disposition and shall cause any awards or settlements to be paid over to Mortgage for disposition pursuant to the terms of this Mortgage. Mortgagee shall be entitled to participate in and to control same and to be represented therein by counsel of its own choice, and Mortgagor shall deliver, or cause to be delivered, to Mortgagee such instruments as may be requested by it from time to time to permit such participation. In the event Mortgagee, as a result of any such judgment, decree or award, reasonably believes that the payment or performance of any obligation secured by this Mortgage is impaired, Mortgagee may, without notice, declare all of the Indebtedness immediately due and payable.

4.9 Taxes on Note or Mortgage. At any time any law shall be enacted imposing or authorizing the imposition of any tax upon this Mortgage, or upon any rights, titles, liens, or security interests created hereby, or upon the Note, or any part thereof, Mortgagor shall immediately pay all such taxes. In the event of enactment of any such law, Mortgagor shall prepay the Note in full without penalty within sixty (60) days after demand therefor by Mortgagee.

4.10 Statements by Mortgagor. At the request of Mortgagee, Mortgagor shall furnish promptly a written statement or affidavit, in such form as may be required by Mortgagee, stating the unpaid balance of the Note, the date to which interest has been paid and that there are no offsets or defenses

against full payment of the Note and performance of the terms of the Loan, or, if there are any such offsets or defenses, specifying them.

4.11 Repair, Waste, Alterations, etc. Mortgagor shall keep every part of the Mortgaged Property in good operating order, repair and condition and shall not commit or permit any waste thereof. Mortgagor shall make promptly all repairs, renewals and replacements necessary to such end. Mortgagor shall discharge all claims for labor performed and material furnished therefor, and shall not suffer any lien of mechanics or materialmen to attach to any part of the Mortgaged Property. Mortgagor shall have the right to contest in good faith the validity of any such mechanic's or materialman's lien, provided Mortgagor shall first deposit with Mortgagee a bond or other security satisfactory to Mortgagee in such amount as Mortgagee shall reasonably require, but not more than one hundred fifty percent (150%) of the amount of the claim, and provided further that Mortgagor shall thereafter diligently proceed to cause such lien to be removed and discharged. If Mortgagor shall fail to discharge any such lien, then, in addition to any other right or remedy of Mortgagee, Mortgagee may, but shall not be obligated to, discharge the same, either by paying the amount claimed to be due, or by procuring the discharge of such lien by depositing in court a bond for the amount claimed, or otherwise giving security for such claim, or by taking such action as may be prescribed by law. Mortgagor shall guard every part of the Mortgaged Property from removal, destruction and damage, and shall not do or suffer to be done any act whereby the value of any part of the Mortgaged Property may be lessened. Mortgagor shall not materially alter the Mortgaged Property without the prior written consent of Mortgagee.

4.12 No Drilling or Exploration. Without the prior written consent of Mortgagee, there shall be no drilling or exploring for or extraction, removal, or production of minerals from the surface or subsurface of the Land. The term "minerals" as used herein shall include, without limiting the generality of such term, oil, gas, casinghead gas, and all hydrocarbons, methane, carbon dioxide, helium, uranium and all other natural elements, compounds and substances, including sand and gravel.

4.13 Compliance with Laws. Mortgagor, the Mortgaged Property, and the use thereof by Mortgagor shall comply with all laws, rules, ordinances, regulations, covenants, conditions, restrictions, orders and decrees and any governmental authority or court applicable to Mortgagor or the Mortgaged Property and its use, and Mortgagor shall pay all fees or charges of any kind in connection therewith.

4.14 Income and Expense Statements. Mortgagor shall, upon request of Mortgagee, deliver to Mortgagee, within sixty (60) days after the end of each fiscal year of Mortgagor, then current annual statements, in form and content satisfactory to Mortgagee, itemizing the income and expenses of the Mortgaged Property, and current financial statements of Mortgagor.

4.15 Holding Harmless. Mortgagor shall defend, at Mortgagor's own cost and expense, and hold Mortgagee harmless from any proceeding or claim affecting the Mortgaged Property or the Loan Instruments. All costs and expenses incurred by Mortgagee in protecting its interests hereunder, including all court costs and reasonable attorneys' fees, shall be borne by Mortgagor.

4.16 Trade Name. At the request of Mortgagee, Mortgagor shall execute a certificate in form satisfactory to Mortgagee listing the trade names under which Mortgagor intends to operate the Mortgaged Property, and representing and warranting that Mortgagor does business under no other trade name with respect to the Mortgaged Property. Mortgagor shall immediately notify Mortgagee in writing of any change in said trade names, and shall upon request of Mortgagee execute any additional financing

statements and other certificates required to reflect the change in trade names and shall execute and file any assumed name certificate required by applicable laws.

4.17 Further Assurances. Mortgagor, upon the request of Mortgagee, shall execute, acknowledge, deliver, and record such further instruments and do such further acts as may be necessary, desirable or proper to carry out the purposes of the Loan Instruments and to subject to the liens and security interests created thereby any property intended by the terms thereof to be covered thereby, including specifically but without limitation any renewals, additions, substitutions, replacements, improvements, or appurtenances to the Mortgaged Property.

4.18 Recording and Filing. Mortgagor shall cause the Loan Instruments and all amendments, supplements and extensions thereto and substitutions therefor to be recorded, filed, re-recorded and refiled in such manner and in such places as Mortgagee shall reasonably request, and shall pay all such recording, filing, re-recording and refiling fees, title insurance premiums, and other charges.

4.19 Utility Capacity. Mortgagor shall not transfer, sell, assign or convey, either in whole or in part, other than to Mortgagee, any capacity for utilities which may be available to the Mortgaged Property. This shall include, but not be limited to, any form of reservation which may be granted by any governmental subdivision. Mortgagor acknowledges that without the availability of utilities to the Mortgaged Property the value of the collateral would be significantly diminished and that the credit being extended under the Indebtedness is based upon such availability.

4.20 Flood Plain. Neither the Mortgaged Property nor any part thereof is located within an area that has been designated or identified as an area having special flood hazards or flood prone characteristics by the Secretary of Housing and Urban Development or by such other official as shall from time to time be authorized by federal or state law to make such designation pursuant to the National Flood Insurance Act of 1968, as such Act may, from time to time, be amended and in effect, or pursuant to any other national or state program of flood insurance (the "Flood Plain"), or in the alternative, if the Mortgaged Property or any part thereof does lie within the Flood Plain, (i) Mortgagor will immediately notify Mortgagee in writing and (ii) Mortgagor will maintain at all times during the existence of the Indebtedness flood insurance with respect to the Mortgaged Property pursuant to any and all national and state flood insurance programs then in effect or the amount of the Indebtedness, whichever is less, and cause all insurance so carried to be made payable to Mortgagee pursuant to a standard mortgagee clause, without contribution, and cause all such policies to be delivered to Mortgagee as required by Section 4.5 hereof.

4.21 Business Purpose. Mortgagor acknowledges and agrees that (a) the Note, this Mortgage, and the Loan Agreement have been negotiated, executed and delivered in the State of Illinois; (b) that the proceeds of the Note will be used for a "business purpose" as specified in Section 4(1)(c) of Paragraph 6~~5~~04, Chapter 17 of the Illinois Revised Statutes, and that accordingly, the principal obligation secured hereby constitutes a business loan which comes within the purview of said paragraph; and (c) that the Indebtedness and the other obligations secured hereby are an exempted transaction under the Truth-In-Lending Act, 15 U.S.C. § § 1601, et seq.

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ARTICLE V

SUBORDINATE MORTGAGE

Mortgagor shall not, without the prior written consent of Mortgagee, grant any lien, security interest, or other

encumbrance (hereinafter called "Subordinate Mortgage") covering any of the Mortgaged Property. If Mortgagee consents to a Subordinate Mortgage or if the foregoing prohibition is determined by a court of competent jurisdiction to be unenforceable, any such Subordinate Mortgage shall contain express covenants to the effect that:

(a) the Subordinate Mortgage is unconditionally subordinate to this Mortgage;

(b) if any action shall be instituted to foreclose or otherwise enforce the Subordinate Mortgage, no tenant of any of the Leases shall be named as a party defendant, and no action shall be taken that would terminate any occupancy or tenancy without the prior written consent of Mortgagee;

(c) Rents, if collected by or for the holder of the Subordinate Mortgage, shall be applied first to the payment of the Indebtedness then due and expenses incurred in the ownership, operation and maintenance of the Mortgaged Property in such order as Mortgagee may determine, prior to being applied to any indebtedness secured by the Subordinate Mortgage; and

(d) a copy of any notice of default under the Subordinate Mortgage and written notice of the commencement of any action to foreclose or otherwise enforce the Subordinate Mortgage shall be contemporaneously given Mortgagee.

ARTICLE VI

MISCELLANEOUS

6.1 Collection. If the Indebtedness shall be collected by legal proceedings, whether through a probate or bankruptcy court or otherwise, or shall be placed in the hands of an attorney for collection after default or maturity, Mortgagor agrees to pay the attorneys' and collection fees in the amount set forth in the Note, and such fees shall be a part of the Indebtedness.

6.2 Change in Ownership. If the ownership (legal or beneficial) of the Mortgaged Property or any part thereof becomes vested in a person other than Mortgagor, or in the event of a change of any ownership of Mortgagor (legal or beneficial), Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest with reference to this Mortgage and to the Indebtedness in the same manner as with Mortgagor without in any way vitiating or discharging Mortgagor's liability hereunder or upon the Indebtedness. No sale of the Mortgaged Property, and no forbearance on the part of Mortgagee, and no extension of the time for the payment of the Indebtedness, shall operate to release or affect the original liability of Mortgagor. Nothing contained in this Paragraph 6.2 shall be construed as implying Mortgagee's consent to any conveyance, transfer, assignment or sale of any interest in the Mortgaged Property or Mortgagor.

6.3 Release of Lien. If Mortgagor shall perform each of the covenants and agreements herein contained, then this conveyance shall become null and void and shall be released at Mortgagor's expense; otherwise, it shall remain in full force and effect. No release of this conveyance, or of the lien, security interest or assignment created and evidenced hereby, shall be valid unless executed by Mortgagee.

6.4 Partial Release of Lien, Extension, etc. Any part of the Mortgaged Property may be released by Mortgagee without affecting the lien, security interest and assignment hereof against the remainder. The lien, security interest and other rights granted hereby shall not affect or be affected by any other security taken for the Indebtedness. The taking of additional security, or the extension or renewal of the

Indebtedness or any part thereof, shall not release or impair the lien, security interest and other rights granted hereby, or affect the liability of any endorser or guarantor or improve the right of any permitted junior lienholder; and this Mortgage, as well as any instrument given to secure any renewal or extension of the Indebtedness, or any part thereof, shall be and remain a first and prior lien, except as otherwise provided herein, on all of the Mortgaged Property not expressly released until the Indebtedness is paid.

6.5 Waiver of Marshalling, Right of Redemption and Certain Rights. To the extent that Mortgagor may lawfully do so, Mortgagor for Mortgagor, Mortgagor's heirs, devisees, representatives, successors and assigns, and for any and all persons ever claiming any interest in the Mortgaged Property, hereby expressly waives and releases the benefit of any law or right pertaining to the marshalling of assets, the exemption of homestead, the administration of estates of decedents, the right of redemption, valuation, appraisement, stay of execution, notice of election to mature or declare due the whole of the secured indebtedness or other matter to defeat, reduce or affect the right of Mortgagee to foreclose on this Mortgage or sell the Mortgaged Property for the collection of the Indebtedness (without any prior or different resort for collection), or the right of Mortgagee to the payment of the Indebtedness out of the proceeds of sale of the Mortgaged Property in preference to every other person and claimant. If any law referred to in this paragraph and now in force, of which Mortgagor or Mortgagor's successors might take advantage despite this paragraph, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to preclude the application of this paragraph.

6.6 Subrogation. To the extent that proceeds of the Indebtedness are used to pay any outstanding lien, charge or encumbrance affecting the Mortgaged Property, such proceeds have been advanced by Mortgagee at Mortgagor's request, and Mortgagee shall be subrogated to all rights, interests and liens owned or held by any owner or holder of such outstanding liens, charges and encumbrances irrespective of whether such liens, charges and encumbrances are released of record; provided, however, that the terms and provisions hereof shall govern the rights and remedies of Mortgagee and shall supersede the terms, provisions, rights and remedies under the lien or liens to which Mortgagee is subrogated hereunder.

6.7 No Waiver. No waiver of any default on the part of Mortgagor or breach of any of the provisions of this Mortgage or of any other instrument executed in connection with the Indebtedness shall be considered a waiver of any other or subsequent default or breach, and no delay or omission in exercising or enforcing the rights and powers herein granted shall be construed as a waiver of such rights and powers, and likewise no exercise or enforcement of any rights or powers hereunder shall be held to exhaust such rights and powers, and every such right and power may be exercised from time to time. Acceptance by Mortgagee of partial payments shall not constitute a waiver of the default by failure to make full payments.

6.8 Limitation on Interest. All agreements between Mortgagor and Mortgagee, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of demand for payment of or acceleration of the maturity of any of the Indebtedness or otherwise, shall the interest contracted for, charged or received by Mortgagee exceed the maximum amount permissible under applicable law. If from any circumstance whatsoever, interest would otherwise be payable to Mortgagee in excess of the maximum lawful amount, the interest payable to Mortgagee shall be reduced to the maximum amount permitted under applicable law, and if from any circumstance Mortgagee shall ever receive anything of value deemed interest by applicable law in excess of the maximum lawful amount, an amount equal to any

excessive interest shall be applied to the reduction of the principal balance of the Indebtedness and not to the payment of interest or, if such excessive interest exceeds the unpaid balance of principal of the Indebtedness, such excess shall be refunded to Mortgagor. All interest paid or agreed to be paid to Mortgagee shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full period until payment in full of the principal of the Indebtedness (including the period of any renewal or extension thereof) so that the interest thereon for such full period shall not exceed the maximum amount permitted by applicable law. This paragraph shall control all agreements between Mortgagor and Mortgagee.

6.9 Successors and Assigns; Use of Terms. The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, personal representatives, successors, and assigns of the parties hereto. Whenever used, the singular number shall include the plural and the plural the singular, and the use of any gender shall be applicable to all genders. The terms "Mortgagor" shall include in their individual capacities and jointly all parties hereinabove named a Mortgagor. The term "Mortgagee" shall include any lawful owner, holder, pledgee, or assignee of any of the Indebtedness. The duties, covenants, conditions, obligations, and warranties of Mortgagor in this Mortgage shall be joint and several obligations of Mortgagor and each Mortgagor, if more than one, and each Mortgagor's heirs, personal representatives, successors and assigns. Each party who executes this Mortgage and each subsequent owner of the Mortgaged Property, or any part thereof (other than Mortgagee), covenants and agrees that it will perform, or cause to be performed, each term and covenant of this Mortgage.

6.10 Mortgagee's Consent. In any instance hereunder where Mortgagee's approval or consent is required or the exercise of Mortgagee's judgment is required, the granting or denial of such approval or consent and the exercise of such judgment shall be within the sole discretion of Mortgagee, and Mortgagee shall not, for any reason or to any extent, be required to grant such approval or consent or exercise such judgment in any particular manner regardless of the reasonableness of either the request or Mortgagee's judgment.

6.11 Severability. If any provision of the Mortgage is held to be illegal, invalid, or unenforceable under present or future laws effective while this Mortgage is in effect, the legality, validity and enforceability of the remaining provisions of this Mortgage shall not be affected thereby and in lieu of each such illegal, invalid or unenforceable provision there shall be added automatically as a part of this Mortgage a provision that is legal, valid and enforceable and as similar in terms to such illegal, invalid or unenforceable provision as may be possible. If any of the Indebtedness shall be unsecured, the unsecured portion of the Indebtedness shall be completely paid prior to the payment of the secured portion of such Indebtedness, and all payments made on account of the Indebtedness shall be considered to have been paid on and applied first to the complete payment of the unsecured portion of the Indebtedness.

6.12 Modification or Termination. The Loan Instruments may only be modified or terminated by a written instrument or instruments executed by the party against which enforcement of the modification or termination is asserted. Any alleged modification or termination that is not so documented shall not be effective as to any party.

6.13 No Partnership. Nothing contained in the Loan Instruments is intended to create any partnership, joint venture or association between Mortgagor and Mortgagee, or in any way make Mortgagee a co-principal with Mortgagor with reference to the Mortgaged Property, and any inferences to the contrary are hereby expressly negated.

6.14 No Homestead. With respect to each Mortgagor who is an individual, no part of the Mortgaged Property constitutes any part of such Mortgagor's business or residential homestead.

6.15 Headings. The Article, Paragraph and Subparagraph headings hereof are inserted for convenience of reference only and shall not alter, define, or be used in construing the text of such Articles, Paragraphs or Subparagraphs.

6.16 Applicable to Leasehold Deeds of Trust. If this Mortgage creates a lien on a leasehold estate, then the following provisions shall apply:

(a) Mortgagor shall fully perform and comply with all covenants, warranties, representations, and other obligations imposed upon or assumed by Mortgagor as lessee, sublessee or otherwise under any lease, sublease or similar agreement pursuant to which Mortgagor has a possessory interest in the Land, and, upon Mortgagor's failure or alleged failure (notwithstanding that the alleged failure may be contested by Mortgagor), so to do, Mortgagee shall have the absolute and immediate right to enter upon the Mortgaged Property and to take such other action, to such extent and as often as Mortgagee, in its opinion, deems necessary or desirable, to prevent or to cure any such failures or alleged failures by Mortgagor; and

(b) Mortgagor hereby agrees with Mortgagee that Mortgagor shall not, without Mortgagee's prior written consent, (i) terminate or modify the lease, sublease or similar agreement in any respect or (ii) permit the fee title to the Mortgaged Property demised by such lease, sublease or agreement (if fee title be so demised) and the leasehold estate so created to merge, but rather the said fee title and the said leasehold estate shall always be separate and distinct.

6.17 Applicable to Prior Liens. If this Mortgage is or becomes subordinate to any other liens, security interests, assignments of leases or rents or any other encumbrances (collectively, the "Prior Liens") affecting any of the Mortgaged Property (all documents creating the Prior Liens and evidencing and governing the indebtedness secured thereby being collectively called the "Prior Lien Documents") the provisions of this Section 6.17 shall apply. Mortgagor shall not enter into any renewal, extension, modification, increase or refinancing of any of the Prior Lien Documents or the indebtedness secured thereby without the prior written consent of Mortgagee. Mortgagor shall pay when due all indebtedness evidenced and secured by the Prior Lien Documents and shall timely perform all other obligations of the Mortgagor under the Prior Lien Documents. Mortgagee may, but shall not be obligated to, pay any such indebtedness or perform any such obligations for the account of Mortgagor and any sum so expended shall be secured hereby. Mortgagor shall pay to Mortgagee all amounts so expended by Mortgagee with interest on such amounts from the date paid at the rate set forth in the Note, but not in excess of the highest rate permitted by applicable law. Any default under any of the Prior Lien Documents shall constitute an event of default hereunder. if Mortgagee should cure any such default under any of the Prior Lien Documents, the curing thereof by Mortgagee shall not constitute a cure of the default under this Mortgage. Mortgagor shall send to Mortgagee a copy of each notice of default or notice of acceleration or other notice received by Mortgagor from the holder of any of the Prior Lien Documents within one (1) business day after receipt thereof by Mortgagor. Notwithstanding the foregoing, Mortgagee does not consent to any Prior Lien unless otherwise expressly permitted in this Mortgage.

6.19 Entire Agreement. The Loan Instruments constitute the entire understanding and agreement between Mortgagor and Mortgagee with respect to the transactions arising in connection

with the Indebtedness and supersede all prior written or oral understandings and agreements between Mortgagor and Mortgagee in connection therewith.

6.20 Applicable Law. The rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of Illinois, except to the extent that Federal law must preempt the applicability of state usury or other laws.

6.21 Notices. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be considered as properly given if mailed by first class United States mail, postage prepaid, certified or registered with return receipt requested or by delivering same in person to the intended address or by prepaid telegram, as follows:

If to Mortgagor: VMS Hampton Associates
8700 West Bryn Mawr
Chicago, Illinois 60631-3504

Attention: Mr. Roger Daluga
Richard Berman, Esq.

If to Mortgagee: RepublicBank Houston, National Association
700 Louisiana
P.O. Box 299001
Houston, Texas 77299

Attention: Real Estate Department

With a copy to: SEYFARTH, SHAW, FAIRWEATHER & GERALDSON
55 East Monroe Street
Suite 4200
Chicago, Illinois 60603
(312) 346-8000

Attention: Jeffrey Jahns, Esq.

or at such other place as any party hereto may by notice in writing designate as a place for service of notice hereunder. Notice so mailed shall be effective upon the date of its deposit. Notice given in any other manner shall be effective only if and when received by addressee.

ARTICLE VII

EVENTS OF DEFAULT

The occurrence of any one of the following shall be a default hereunder ("Event of Default"):

7.1 Failure to Pay Indebtedness. Any of the Indebtedness is not paid when due, whether by acceleration or otherwise.

7.2 Nonperformance of Covenants. Any covenant in the Loan Instruments is not fully and timely performed, or the occurrence of any event of default thereunder.

7.3 False Representation. Any statement, representation or warranty in the Loan Instruments, any financial statement or any other writing delivered to Mortgagee in connection with the Indebtedness is false, misleading or erroneous in any material respect.

7.4 Transfer of the Mortgaged Property. Ownership (legal or beneficial) to all or any part of the Mortgaged Property (other than obsolete or worn Personal Property replaced by adequate substitutes of equal or greater value than the replaced items when new) shall become vested in any party other than Mortgagor, whether by operation of law or otherwise;

7.5 Grant of Easement, etc. Without the prior written consent of Mortgagee, Mortgagor grants any easement or dedication, files any plat, condominium declaration or restriction or enters into any lease, unless such action is contemplated by the Loan Instruments or does not affect the Mortgaged Property.

7.6 Bankruptcy or Insolvency. The owner of the Mortgaged Property, or any person obligated to pay any part of the Indebtedness or any guarantor:

(a) does not pay its debts as they become due or admits in writing its inability to pay its debts or makes a general assignment for the benefit of creditors; or

(b) commences any case, proceeding or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors; or

(c) in any involuntary case, proceeding or other action commenced against it which seeks to have an order for relief entered against it, as debtor, or seeks reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, (i) fails to obtain a dismissal of such case, proceeding or other action within sixty (60) days of its commencement or (ii) converts the case from one chapter of the Federal Bankruptcy Code to another chapter, or (iii) is the subject of an order for relief; or

(d) conceals, removes, or permits to be concealed or removed, any part of its property, with intent to hinder, delay or defraud its creditors or any of them, or makes or suffers a transfer of any of its property which may be fraudulent under any bankruptcy, fraudulent conveyance or similar law; or makes any transfer of its property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid; or suffers or permits while insolvent, any creditor to obtain a lien upon any of its property through legal proceedings which is not vacated within sixty (60) days from the date thereof; or

(e) has a trustee, receiver, custodian or other similar official appointed for or take possession of all or any part of the Mortgaged Property or any other of its property or has any court take jurisdiction of any other of its property which remains undismissed for a period of sixty (60) days; or

(f) fails to have discharged within a period of ten (10) days any attachment, sequestration, or similar writ levied upon any property of such person; or

(g) fails to pay immediately any final money judgment against such person.

7.7 Abandonment. Mortgagor abandons any of the Mortgaged Property.

7.8 Dissolution. Mortgagor or any guarantor dissolves or liquidates.

7.9 Death. Death of any general partner of Mortgagor or any general partner of any guarantor of any of the Indebtedness.

7.10 Foreclosure of Other Liens. The holder of any lien or security interest on the Mortgaged Property institutes foreclosure or other proceedings for the enforcement of its remedies thereunder.

REMEDIES

If an Event of Default shall occur, Mortgagee may exercise any one or more of the following remedies, without notice:

8.1 Acceleration. Mortgagee may declare the Indebtedness immediately due and payable, without notice, whereupon the same shall become immediately due and payable. Mortgagor hereby waives notice of intent to accelerate, except as may be otherwise provided in the Note.

8.2 Enforcement of Assignment of Rents and Leases. Mortgagee may:

(a) terminate the license granted to Mortgagor to collect the Rents, collect and sue for the Rents in Mortgagee's own name, give receipts and releases therefor, and after deducting all expenses of collection, including reasonable attorneys' fees, apply the net proceeds thereof to any Indebtedness as Mortgagee may elect;

(b) make, modify, enforce, cancel or accept surrender of any Leases, evict tenants, adjust the Rents, maintain, decorate, refurbish, repair, clean, and make space ready for renting, and otherwise do anything Mortgagee deems advisable in connection with the Mortgaged Property;

(c) apply the Rents so collected to the operation and management of the Mortgaged Property, including the payment of reasonable management, brokerage and attorneys' fees, or to the Indebtedness; and

(d) require Mortgagor to transfer all security deposits and records thereof to Mortgagee.

8.3 Full or Partial Foreclosure. Pursuant to the procedures provided by applicable law, Mortgagee may institute and prosecute foreclosure proceedings with respect to the Mortgaged Property; or, if Mortgagee so elects, institute foreclosure procedures only with respect to a portion of the Indebtedness or the Mortgaged Property (such partial proceeding being hereinafter referred to as a partial foreclosure). Mortgagor agrees that sale pursuant to a partial foreclosure, if so made, shall not in any manner affect the remainder of the secured Indebtedness, but as to such remainder this Mortgage and the lien thereof shall remain in full force and effect just as though no foreclosure sale had been made under the provisions of this paragraph. Notwithstanding the filing of any partial foreclosure or entry of a decree of sale therein, Mortgagee may elect at any time prior to a foreclosure sale pursuant to such decree, to discontinue such partial foreclosure and to accelerate the entire secured Indebtedness by reason of any default or event of default upon which such partial foreclosure was predicated or by reason of any other default or event of default, and proceed with full foreclosure proceedings. It is further agreed that several foreclosure sales may be made pursuant to partial foreclosures without exhausting the power to foreclose and to sell the Mortgaged Property, pursuant to any such partial foreclosure for any other part of the secured Indebtedness whether matured at the time or subsequently maturing, and without exhausting any right of acceleration and full foreclosure.

8.4 Power of Sale. To the extent permitted and pursuant to the procedures provided by applicable law, exercise such power of sale as may be provided by applicable law, and sell or offer for sale the Mortgaged Property in such portions, order and parcels as Mortgagee may determine, with or without having first taken possession of same, to the highest bidder at public

auction. Such sales shall be made in accordance with the legal requirements therefor for the state in which the Mortgaged Property is located, including, to the extent there relevant, the Uniform Commercial Code there in effect. Nothing contained in this paragraph 8.4 shall be construed to limit in any way Mortgagee's rights to sell the Mortgaged Property by private sale if, and to the extent that, such private sale is permitted under the laws of the state where the Mortgaged Property is located or by public or private sale after entry of a judgment by any court of competent jurisdiction ordering same.

8.5 Tenancy at Will. In the event of a sale hereunder and if at the time of such sale Mortgagor or any other party occupies the portion of the Mortgaged Property so sold or any part thereof, such occupant shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of either tenant or landlord, at a reasonable rental per day based upon the value of the portion of the Mortgaged Property so occupied, such rental to be due and payable daily to the purchaser. An action of forcible detainer shall lie if the tenant holds over after a demand in writing for possession of such Mortgaged Property. The terms and provisions of this Section 8.5 are subject to the terms of any Agreement of Attornment and/or Nondisturbance between Mortgagee and any party occupying any portion of the Mortgaged Property.

8.6 Lawsuits. Mortgagee may proceed by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement herein contained or in aid of the execution of any remedy herein granted, or for any foreclosure hereunder or for the sale of the Mortgaged Property under the judgment or decree of any court or courts of competent jurisdiction.

8.7 Entry on Mortgaged Property. Mortgagee may enter into and upon and take possession of all or any part of the Mortgaged Property, and may exclude Mortgagor, and all persons claiming under Mortgagor, and its or their agents or servants, wholly or partly therefrom; and, holding the same, Mortgagee, either by itself or by other persons, firms or entities in such manner, may use, hold, develop, rent, lease, administer, manage, operate and control the Mortgaged Property and may exercise all rights and powers of Mortgagor in the name, place and stead of Mortgagor, or otherwise, as the Mortgagee shall deem best; and in the exercise of any of the foregoing rights and powers Mortgagee shall not be liable to Mortgagor for any loss or damage thereby sustained unless due solely to the willful misconduct or gross negligence of Mortgagee. All costs, expenses and liabilities of every character incurred by the Mortgagee in managing, operating and maintaining such properties shall constitute a demand obligation owing by Mortgagor and shall draw interest from date of expenditure until paid at the highest rate permissible under law, all of which shall constitute a portion of the Indebtedness.

8.8 Trustee or Receiver. Mortgagee may make application to a court of competent jurisdiction, as a matter of strict right and without notice to Mortgagor or regard to the adequacy of the Mortgaged Property for the repayment of the Indebtedness, for appointment of a receiver of the Mortgaged Property, and Mortgagor does hereby irrevocably consent to such appointment. Any such receiver shall have all the usual powers and duties of receivers in similar cases, including the full power to rent, maintain and otherwise operate the Mortgaged Property upon such terms as may be approved by the court, and shall apply the Rents in accordance with the provisions of Paragraph 2.1 hereof.

8.9 Mortgagee's Right or to Perform. Upon Mortgagor's failure to make a payment or to perform an act required by the Loan Instruments, then at any time thereafter, and without notice to or demand upon Mortgagor and without waiving or releasing any

other right, remedy or recourse. Mortgagee may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of Mortgagor, and shall have the right to enter upon the Mortgaged Property for such purpose and to take all such action as it may deem necessary or appropriate.

8.10 Reimbursement of Expenditure. If Mortgagee shall expend any money chargeable to Mortgagor or subject to reimbursement by Mortgagor under the terms of the Loan Instruments, Mortgagor shall repay the same to Mortgagee immediately at the place where the Note is payable, together with interest thereon at the highest rate permitted by applicable law from and after the date of each such expenditure by Mortgagee.

8.11 Other Rights. Mortgagee may exercise any and all other rights, remedies and recourses granted under the Loan Instruments now or hereafter existing in equity or at law for the protection and preservation of the Mortgaged Property.

8.12 Remedies Cumulative, Concurrent and Nonexclusive. Mortgagee shall have all rights, remedies and recourses granted in the Loan Instruments and available at law or equity (including, without limitation, those granted by the Code and applicable to the Mortgaged Property, or any portion thereof), and same (a) shall be cumulative or concurrent, (b) may be pursued separately, successively or concurrently against Mortgagor or others obligated for the Indebtedness, or any part thereof or against any one or more of them, or against the Mortgaged Property, at the sole discretion or Mortgagee, (c) may be exercised as often as occasion therefor shall arise, it being agreed by Mortgagor that the exercise of or failure to exercise any of the same shall in no event be construed as a waiver or release thereof or of any other right, remedy or recourse, and (d) are intended to be, and shall be nonexclusive.

8.13 Rights and Remedies of Sureties. Mortgagor waives any right or remedy which Mortgagor may have or be able to assert pursuant to applicable law pertaining to the rights and remedies of sureties.

EXECUTED on the date first set forth above.

VMS HAMPTON ASSOCIATES, an Illinois limited partnership

By VMS HAMPTON, INC. an Illinois corporation, General Partner

ATTEST:

Richard A. Berman

Name: Richard A. Berman

Title: Assistant Secretary

By: [signature]

Name: Norman L. Silverman

Title: President/Secretary

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Anne L. Mann, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Norman L. Silverman, President of VMS HAMPTON, INC., an Illinois corporation, and Richard A. Berman Asst. Secretary of said corporation, which corporation is General Partner of VMS Hampton Associates, an Illinois limited partnership, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such _____ President and Asst. Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said corporation for itself and as such General Partner, for the uses and purposes therein set forth, and the said Assistant Secretary then and there acknowledged that Richard A Berman as custodian of the corporate seal of said corporation, did affix the corporate seal of said corporation to said instrument as his own free and voluntary act and as the free and voluntary act of said corporation for itself and as such General Partner, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 7th day of July, 1986.

Anne L. Mann
Notary Public

My Commission expires:

My Commission Expires April 8, 1990

This instrument was prepared by and after recording should be mailed to:

Kathryn A. Hamilton
Seyfarth, Shaw Fairweather
& Geraldson
55 East Monroe
Suite 4200
Chicago, Illinois 60603

Box No. 118

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EXHIBIT A

Legal Description

That part of the East 1/2 of Section 2, Township 42 North, Range 10, East of the Third Principal Meridian, bounded by a line described as follows:

Beginning at a point on the Southwesterly line of Rand Road (U.S. Route 12) which is 215.0 feet Southeasterly of the intersection of said Southwesterly line of Rand Road with the Easterly line of Hicks Road (S.A.R. 53), said point being also the most Easterly corner of Lot One in Hasterock Park, a subdivision of part of the Southwest 1/4 of the Northeast 1/4 of said Section 2, the plat of which was recorded May 14, 1957 as Document No. 16903857; thence Southeasterly along the Southwesterly line of Rand Road, being a line 50.0 feet Southwesterly, measured at right angles, and parallel with the center line of said road, a distance of 384.20 feet to a point of curve in said right of way line; thence continuing Southeasterly along the Southwesterly line of Rand Road, being a curved line, convex to the Northeast and having a radius of 10743.0 feet, 50.0 feet distant from the center line thereof, a distance of 284.17 feet, arc measure, to a point, thence Southwesterly along a radial line of said curved line, 10.0 feet; thence Southeasterly along a curved line, convex to the Northeast and having a radius of 10733.0 feet and being concentric with the previously described curved line, a distance of 110.0 feet, arc measure; thence Northeasterly along a radial line of said curved line, 10.0 feet to a point on the Southwesterly line of Rand Road; thence continuing Southeasterly along the Southwesterly line of Rand Road, being a curved line as heretofore described, a distance of 100.0 feet, arc measure, to an intersection with the Southeasterly line of said property as now staked, monumented and occupied; thence Southwesterly along the Southeasterly line of said property, said line forming an angle of 88° 07' 56", as measured from the Northwest, being the long chord of the curved line that is the Southwesterly line of Rand Road, to the Southwest, a distance of 927.74 feet to a monument, said monument being the angle corner in the Northerly line of The Nursery, plat of planned unit development in the Southeast 1/4 of said Section 2, the plat of which was recorded June 26, 1978 as Document No. 24507142; thence Westerly 562.66 feet to a point on the Easterly line of Hicks Road (S.A.R. 53) which is 1306.03 feet Southerly, as measured along the Easterly line of said Hicks Road, of the most Westerly corner of Lot One in Hasterock Park, aforesaid; thence Northerly along the Easterly line of said Hicks Road, being a curved line,

50.0 feet Easterly, measured radially, of the center line of said road, convex to the Northwest and having a radius of 2814.93 feet, a distance of 1306.03 feet, arc measure, to the most Westerly corner of Lot One in said Hasterock Park; thence Southeasterly along the Southwesterly line of said Lot One in Hasterock Park, 140.63 feet to the most Southerly corner of said Lot One; thence Northeasterly along the Southeasterly line of said Lot One in Hasterock Park, 200.0 feet to the place of beginning;

Which lies Southerly of a line described as commencing at a point on the center line of Rand Road which is 901.10 feet Southeasterly of the intersection of said center line with the center line of Hicks Road; thence Southwesterly at right angles to the center line of Rand Road and said center line extended, a distance of 50.04 feet to a point on the Southwesterly line of Rand Road; thence continuing Southwesterly along said line drawn at right angles to Rand Road, a distance of 390.0 feet; thence Northwesterly at right angles to the last described line, a distance of 200.0 feet; thence Southwesterly at right angles to the last described line, a distance of 250.0 feet; thence Westerly along a line which forms an angle of 46° 11' 43" to the right of the last described line extended, a distance of 296.28 feet to a point on the Easterly line of Hicks Road which is 731.80 feet, arc measure, Southerly, as measured along said Easterly line, of the Southwesterly corner of Lot 1 of Hasterock Park, aforesaid, and the terminus of said line, Cook County, Illinois.

Situated adjacent to Rand Road and Hicks Road, Cook County, Illinois.

Permanent Index Numbers:

02-02-400-001
02-02-204-009
~~02-02-204-003~~
~~02-02-204-005~~

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MORTGAGE
(WITH SECURITY AGREEMENT AND ASSIGNMENT OF RENTS AND LEASES)

By this agreement, dated July 7, 1986, the undersigned, VMS HAMPTON ASSOCIATES, an Illinois limited partnership (the "Mortgagor") whose address is 8700 West Bryn Mawr, Chicago, Illinois 60631-3504, to secure the indebtedness and obligations hereinafter described, does hereby GRANT, BARGAIN, WARRANT, MORTGAGE, SELL, ASSIGN AND CONVEY unto REPUBLICBANK HOUSTON, National Association (the "Mortgagee") that certain parcel of real property located in Cook County Illinois situated near Hicks and Rand Roads and more particularly described on Exhibit A attached hereto and made a part hereof (the "Land");

TOGETHER WITH the following, whether now owned or hereafter acquired by Mortgagor: (a) all improvements now or hereafter attached to or placed, erected, constructed or developed on the Land (the "Improvements"); (b) all equipment, fixtures, furnishings, inventory, and articles of personal property (the "Personal Property") now or hereafter attached to or used in or about the Improvements or that are necessary or useful for the complete and comfortable use and occupancy of the Improvements for the purposes for which they were or are to be attached, placed, erected, constructed or developed, or which Personal Property is or may be used in or related to the planning, development, financing or operation of the Improvements, and all renewals of or replacements or substitutions for any of the foregoing, whether or not the same are or shall be attached to the Land or Improvements; (c) all water and water rights, utility capacity (including any form of reservation which may be granted by any governmental subdivision), timer, crops, and mineral interests pertaining to the Land; (d) all building materials and equipment now or hereafter delivered to and intended to be installed in or on the Land or the Improvements; (e) all plans and specifications for the Improvements; (f) all contracts relating to the Land, the Improvements or the Personal Property; (g) all deposits (including tenants' security deposits), bank accounts, funds, documents, contract rights, accounts, commitments, construction contracts, architectural agreements, general intangibles (including, without limitation, trademarks, trade names and symbols) and instruments, notes or chattel paper arising from or by virtue of any transactions related to the Land, the Improvements or the Personal Property; (h) all permits, licenses, franchises, certificates, and other rights and privileges obtained in connection with the Land, the Improvements and the Personal Property; (i) all proceeds arising from or by virtue of the sale, lease or other disposition of the Land, the Improvements or the Personal Property; (j) all proceeds (including premium refunds) of each policy of insurance relating to the Land, the Improvements or the Personal Property; (k) all proceeds from the taking of any of the Land, the Improvements, the Personal Property or any rights appurtenant thereto by right of eminent domain or by private or other purchase in lieu thereof, including change of grade of streets, curb cuts or other rights of access, for any public or quasi-public use under any law; (l) all right, title and interest of Mortgagor in and to all streets, roads, public places, easements and rights-of-way, existing or proposed, public or private, adjacent to or used in connection with, belonging or pertaining to the Land; (m) all of the leases, rents, royalties, bonuses, issues, profits, revenues or other benefits of the Land, the Improvements or the Personal Property, including without limitation, cash or securities deposited pursuant to leases to secure performance by the lessees of their obligations thereunder; (n) all consumer goods located in, on or about the Land or the Improvements or used in connection with the use or operation thereof; (o) all rights, hereditaments and appurtenances pertaining to the foregoing; and (p) other interests of every kind and character and type Mortgagor now has or at any time hereafter acquires in and to the Land, Improvements, and Personal Property described herein and all

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