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Prepared by:
Michael Murphy
and after Recordation
Return to:

Real Estate Tax I.D. No. 02-33-401-021
Property Address: SW Corner Algonquin Road
and Palmer Drive
Schaumburg, Illinois

ROSENTHAL AND SCHANFIELD
55 E. Monroe, Suite 4620
Chicago, Illinois 60603

MORTGAGE (WITH ASSIGNMENT OF RENTS)

THIS INDENTURE, (hereinafter referred to as "Mortgage") is entered into on this 19 day of February, 1987, by AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally but solely as Trustee under Trust Agreement dated March 14, 1985, and known as Trust No. 63784, (hereinafter referred to as "Mortgagor"), whose post office address is 33 N. LaSalle Street, Chicago, Illinois 60690, and CENTURY LIFE OF AMERICA, an Iowa corporation (hereinafter referred to as "Mortgagee"), whose post office address is Heritage Way, Waverly, Iowa, 50677.

WITNESSETH, that Mortgagor for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby MORTGAGE, GRANT, BARGAIN, SELL, AND CONVEY unto said Mortgagee, its successors and assigns forever, and grants to Mortgagee a security interest in certain Mortgaged Premises and Mortgaged Personal Property more fully described below, all subject to the following definitions, covenants, agreements and warranties.

I. DEFINITIONS

1.1 The term "Indebtedness" means and includes:

- (1) Any and all sums becoming due and payable pursuant to the Promissory Note.
- (2) Any and all other sums becoming due and payable by Mortgagor to Mortgagee, as a result of advancements, optional or otherwise, made by Mortgagee or its successors or assigns pursuant to the terms and conditions of the Promissory Note, this Mortgage and Security Agreement or any other instruments executed in connection with or otherwise relating to the construction or improvements on the Mortgaged Premises as hereinafter defined provided in any event that the amount of all such sums shall not exceed \$100,000,000.00.
- (3) The full and complete performance of each and every obligation of Mortgagor contained herein or contained in any other instrument executed by Mortgagor pertaining to the Promissory Note or the security therefor.
- (4) All renewals and extensions of any or all of the obligations of Mortgagor defined herein under the term "Indebtedness," whether or not Mortgagor executes any renewal or extension agreement.

1.2 The term "Mortgaged Premises" means and includes:

- (1) The real property described in Exhibit "A" attached hereto and incorporated herein, together with all buildings and improvements of every kind and description, including paving, now or hereafter erected or placed thereon and all materials now or hereafter placed thereon intended for construction, reconstruction or alteration and repairs of such buildings and improvements, all of which materials shall be deemed to be included as Mortgaged Premises immediately upon delivery thereof to the Mortgaged Premises.

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- (2) All equipment or fixtures now or hereafter owned by Mortgagor and attached to, contained in or used in connection with the Exhibit A property, and all renewals and replacements thereof, including but not limited to all apparatus, machinery, motors, elevators, fittings and radiators; all plumbing, heating, lighting, ventilating, refrigerating, incinerating, air conditioning and sprinkler equipment; all awnings, storm windows and doors; mantels, cabinets, rugs, carpeting, linoleum, stoves, shades, draperies, blinds and water heaters; such other goods and chattels and personal property as are usually furnished by landlords in letting an unfurnished building, or which shall be attached to said buildings and improvements by nails, screws, bolts, pipe connections, masonry or in any other such manner, and all built-in equipment as may be shown by plans and specifications.
- (3) All the estates and rights in and to the Exhibit A property and to all lands lying in streets, alleys, and roads adjoining the real property and all buildings, structures, improvements, fixtures and annexations, access rights, easements, rights-of-way or use, servitudes, licenses, tenements, hereditaments and appurtenances now or hereafter belonging or pertaining to the real property.
- (4) All water, sanitary and storm sewer systems now or hereafter owned by Mortgagor which are now or hereafter located by, over and upon the real property described in Exhibit "A", or any part or parcel thereof, and which water system includes all water mains, service laterals, hydrants, valves and appurtenances, and which sewer system includes all sanitary sewer lines, including mains, laterals, manholes and appurtenances.
- (5) All proceeds and replacements of any of the foregoing.

1.3 The term "Mortgaged Personal Property" means and includes:

- (1) All of the personal property and all equipment or fixtures now or hereafter owned by Mortgagor and attached to, contained in or used in connection with the Exhibit A property, and all renewals and replacements thereof, including but not limited to all apparatus, machinery, motors, elevators, fittings and radiators; all plumbing, heating, lighting, ventilating, refrigerating, incinerating, air conditioning and sprinkler equipment; all awnings, storm windows and doors; mantels, cabinets, rugs, carpeting, linoleum, stoves, shades, draperies, blinds and water heaters; such other goods and chattels and personal property as are usually furnished by landlords in letting an unfurnished building, or which shall be attached to said buildings and improvements by nails, screws, bolts, pipe connections, masonry or in any other such manner, and all built-in equipment as may be shown by plans and specifications.
- (2) All unearned premiums of insurance for fire, casualty, extended coverage, liability or rent loss, from time to time existing, relating to or covering the Mortgaged Premises.
- (3) All rents, issues and profits, contract rights, accounts, and general intangibles now accrued or hereafter accruing from the sale, lease, use, ownership or operation of the Mortgaged Premises, including awards for taking by eminent domain and insurance proceeds and damage awards from loss to the Mortgaged Premises.
- (4) All awards or payments, including interest thereon, due or accruing pursuant to exercise of governmental or private right of eminent domain proceedings, alteration of grade

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of street, or other injury to or decrease in value of the Mortgaged Property, to the extent of the full amount of the Indebtedness secured hereby and of costs and expenses (including reasonable attorney's fees) incurred by Mortgagee in the collection of such amounts, costs and expenses.

(5) All proceeds and replacements of any of the foregoing.

- 1.4 The term "Mortgaged Property" means the Mortgaged Premises and the Mortgaged Personal Property.
- 1.5 The term "Promissory Note" means one certain Promissory Note of even date herewith in the principal sum of Two Million Eight Hundred Thousand and No/100 Dollars (\$2,800,000.00) payable to the order of Mortgagee, all payable with interest and installments as stipulated therein and due and payable in any event on the first day of March, 1997, and providing for the right to declare the unpaid principal balance due and payable upon the event of default (subject to right to notice and opportunity to cure as set forth therein) and all Notes given in renewal, extension or modification of the Promissory Note or any portion thereof.

II. REPRESENTATIONS AND WARRANTIES OF MORTGAGOR. In order to induce Mortgagee to lend the funds evidenced by the Promissory Note, Mortgagor represents and warrants:

- 2.1 Accurate Loan Information. All information and financial statements furnished or to be furnished to Mortgagee by or on behalf of Mortgagor in connection with the Indebtedness secured by this Mortgage is or will be complete and accurate in all material respects.
- 2.2 Valid Title. Mortgagor is the lawful fee simple owner of the Mortgaged Property, and it has good right and lawful authority to mortgage and pledge the same.
- 2.3 Freedom from Encumbrances. Except for the liens and encumbrances listed in Exhibit B attached hereto, the Mortgaged Property is free from any and all liens and encumbrances, and Mortgagor does warrant and will defend title to the Mortgaged Property against all claims or demands by third parties whatsoever, except permitted encumbrances.

Notwithstanding anything to the contrary in this Section 2.3, the Mortgagor may contest in good faith any alleged charge or debt or assessment of any kind provided that Mortgagor has provided the Mortgagee with an insured performance bond in at least the amount of the lien or Mortgagor has placed in escrow with Mortgagee amounts sufficient to discharge any lien on the Mortgaged Property arising out of the subject of the contested charge or debt. The terms of such bond or escrow shall provide for payment of such bond or release of such escrow to the Mortgagee for this purpose. The terms of such bond or escrow shall provide that the amount of the bond or proceeds of the escrow shall be made available to the Mortgagee, and Mortgagee shall be authorized to use such funds to discharge any such lien(s) at any time that there exists a default in any of the Mortgagor's obligations under this Mortgage, or at any time when the lien(s) resulting from the nonpayment of the amount contested exceeds the total of the bond or amount placed in escrow with the Mortgagee pursuant to this paragraph.

- 2.4 Maintenance of Lien Priority. Mortgagor shall take all steps necessary to preserve and protect the validity and priority of the liens on the Mortgaged Property created hereby. Mortgagor shall execute, acknowledge and deliver such additional instruments and financing statements as Mortgagee may deem necessary in order to preserve, protect, continue, extend or maintain the liens and security interest created hereby as first liens on the Mortgaged Property. All costs and expenses incurred in connection with the protection, preservation,

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continuation, extension or maintaining of the security interest and the liens herein created as valid first liens shall be paid by Mortgagor.

2.5 Permits and Privileges. The Mortgagor has complete and lawful authority to own and operate the Mortgaged Property, and no permits, rights, franchises or privileges of the Mortgagor will be allowed to lapse or to be forfeited so long as the same shall be necessary for the operations of the Mortgaged Property; Mortgagor will exercise his best efforts in any and every proper means to procure extensions or renewals of each and every right, franchise or privilege so expiring and necessary or desirable for the operation of the Mortgaged Property or for the operations of the Mortgagor.

2.6 Business Loan. Mortgagor represents that the Loan evidenced by the Note is a business loan, the proceeds of which will be used for business purposes and this Loan is exempt from the limitations upon lawful interest pursuant to the terms of the Illinois Revised Statutes, Chapter 17, paragraph 6404.

III. COVENANTS OF MORTGAGOR. As long as any of the Indebtedness remains unpaid, Mortgagor covenants and agrees that:

3.1 Payment of Indebtedness. Mortgagor will pay the Indebtedness promptly when due and payable.

3.2 Payment of Taxes and Other Assessments. Mortgagor will pay all taxes, assessments, general or special, including assessments on appurtenant water stock, and other governmental, municipal or other public dues, charges, fines or impositions imposed or levied upon all or part of the Mortgaged Property or on the interest created by this Mortgage, or any tax or excise on rents or other tax, however described, assessed, or levied by any state, federal or local taxing authority as a substitute, in whole or in part, for taxes assessed or imposed on the Mortgaged Property or on the interest created by this Agreement at least ten (10) days before said taxes, assessments, and other governmental charges are delinquent except for such taxes, assessments, charges, fines, imports or excise taxes contested in good faith by the Mortgagor, provided that the Mortgagor has provided the levying authority with a bond in at least the amount of the lien or Mortgagor has placed in escrow with the Mortgagee amounts sufficient to discharge any lien on the Mortgaged Property arising out of such amounts which are the subject of such contest, or provided Mortgagor has furnished Mortgagee a bond or title indemnity in such amounts. Mortgagee shall be authorized to use such escrowed funds to discharge such lien(s) at any time that there exists a default in any of the Mortgagor's obligations under this agreement, or at a time when the lien(s) resulting from such nonpayment(s) or the amounts contested exceeds the total of the amounts placed in escrow with the Mortgagee pursuant to this paragraph. Mortgagor shall deliver paid receipts therefor to Mortgagee, unless Mortgagor, at least 30 days prior to delinquency date, has delivered to Mortgagee a statement for such tax or special assessments with directions that they be paid by Mortgagee from escrowed funds pursuant to paragraph 3.7 herein and such escrowed funds together with funds provided by Mortgagor are sufficient to meet such taxes or special assessments.

3.3 Taxation of Mortgage. Mortgagor will reimburse Mortgagee for all mortgage taxes imposed on Mortgagee by reason of this Mortgage or the recording thereof and will also reimburse Mortgagee for any recording fees incurred by it to record this Mortgage. In addition to the taxes and fees referred to immediately preceding, in the event of the enactment after this date of any law of Illinois or the municipality in which the Mortgaged Property is located deducting from the value of the land for the purpose of taxation of any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein requested to be paid by Mortgagor, or changing in any way the laws

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relating to the taxation of Mortgages or debts secured by Mortgages or the Mortgagor's interest in the property, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby 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; provided, however, that if in the opinion of counsel for the Mortgagee (a) it might be unlawful to require Mortgagor to make such payment, or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, the Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the Indebtedness secured hereby due and payable sixty (60) days from the giving of such notice. But nothing herein shall be construed as obligating the Mortgagor to pay the Mortgagee's federal, state, or municipal income taxes.

3.4 Insurance. During the term of this Mortgage, Mortgagor shall maintain the following insurance:

- (1) All Risk. Mortgagor shall keep the Mortgaged Property insured against loss or damage by "all risk" coverage perils in the amount of the full replacement cost of the improvements on the Mortgaged Premises (including debris removal). Policies shall contain full replacement cost endorsements and agreed amount endorsements.
- (2) Rent Loss. Mortgagor shall maintain six months' loss of rental income coverage.
- (3) Boiler and Machinery Insurance. Mortgagor shall maintain steam boiler and machinery insurance on such apparatus as Mortgagee may deem necessary in such amounts as may from time to time be reasonably required by Mortgagee.
- (4) Flood Insurance. If the Mortgaged Premises are in an area designated as a flood plain area, Mortgagor shall maintain flood insurance in the maximum amount attainable under the Federal Flood Insurance Program and the Flood Disaster Protection Act of 1973, as amended, unless specifically waived in writing by the Mortgagee.
- (5) Liability Insurance. Mortgagor shall maintain comprehensive public liability insurance against claims from bodily injury, death or property damage occurring on, in or about the Mortgaged Property and the adjoining streets, sidewalks and passageways, including the use and occupancy of Mortgagor's grounds, structures and vehicles, such insurance to afford protection of not less than \$1,000,000.00. Mortgagee shall be named as an additional insured on such policies which shall be issued by an insurer acceptable to Mortgagee.
- (6) Other Insurance. Mortgagor shall maintain other insurance in amounts as are reasonably required by Mortgagee, against other insurable hazards which, at the time, are normally insured against in the case of premises located, constructed, used, or occupied in like manner.

All policies shall be written by companies with a General Policyholder's Key Rating of A or better and a financial size class of IX or better, in the most current issue of Best's Insurance Guide. In the event this rating shall cease to be published or if the rating shall be materially revised, then the policies shall be maintained with such companies as Mortgagee shall reasonably approve.

Each of such policies shall contain an agreement by the insurer that the same will not be canceled without at least thirty (30) days' prior written notice to Mortgagee. Mortgagor shall cause originals of any and all property and casualty insurance policies to be deposited with Mortgagee. Unless Mortgagor has delivered insurance premium notices to Mortgagee for payment



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from escrow funds at least 30 days prior to the date such premiums may be delinquent, pursuant to paragraph 3.7 hereof, and said escrowed funds together with funds provided by Mortgagor are sufficient to pay such premiums, Mortgagor shall furnish to Mortgagee evidence of the payment of such premiums at the later of ten (10) days prior to the date the premiums on policy or policies shall become due and payable, or 30 days prior to the expiration of the policy, whichever is later.

All property and casualty policies shall provide that any losses payable thereunder shall be payable to Mortgagee pursuant to standard mortgage clauses without contribution to be attached to each policy. Mortgagee is hereby authorized, but not required, on behalf of Mortgagor, to collect for, adjust or compromise any losses under any insurance policies on the Mortgaged Premises, and at its option to the extent allowed by Illinois law, and subject to the provisions of Section 3.6, Mortgagee may apply the loss proceeds (less expenses of collection) on the Indebtedness (without application of any prepayment premium), in any order and whether due or not, or release the proceeds to the Mortgagor for restoration of the Mortgaged Property. Loss proceeds applied against the Indebtedness will be applied to installments of principal and interest in the inverse order of maturity and will not reduce the required monthly installments in the Promissory Note. Application of the loss proceeds to the outstanding Indebtedness shall not cure or waive any default. No deductible on any property or casualty policy shall exceed \$5,000.00.

In the event of default or in case of a sale pursuant to foreclosure of this Mortgage or other transfer of title to said Mortgaged Property, or any portion thereof, in extinguishment of the Indebtedness, complete title to all insurance policies required herein held by Mortgagor and all unearned premiums shall thereupon pass to and rest in the purchaser or grantee.

- 3.5 Condemnation; Eminent Domain; Awards After Foreclosure. Notwithstanding any taking of any Mortgaged Property by eminent domain, alteration of the grade of any street or other injury to, or decrease in value of the Mortgaged Property by any public or quasi-public authority or corporation, Mortgagor shall continue to pay principal and interest on the Indebtedness, and any reduction in the Indebtedness resulting from the application by Mortgagee of any award or payment for such taking, alteration, injury or decrease in value of the Mortgaged Property, as hereinafter set forth, shall be deemed to take effect only on the date of such receipt; and such award or payment may, at the option of the Mortgagee, be retained and applied by Mortgagee toward payment of the Indebtedness (without application of any prepayment premium), or be paid over, wholly or in part, to Mortgagor for the purpose of altering, restoring or rebuilding any part of the Mortgaged Property which may have been altered, damaged or destroyed as a result of any such taking, alteration of grade, or other injury to the Mortgaged Property, or for any other purpose or object satisfactory to Mortgagee, but Mortgagee shall not be obligated to see to the application of any amount paid over to Mortgagor. If, prior to the receipt by Mortgagee of such award or payment, the Mortgaged Property shall have been sold at a foreclosure sale pursuant to the Mortgage, Mortgagee shall have the right to receive such award or payment to the extent of any deficiency found to be due upon such sale, with legal interest thereon, whether or not a deficiency judgment on this Mortgage shall have been sought or recovered or denied, and of the reasonable counsel fees, costs and disbursements incurred by Mortgagee in connection with the collection of such award or payment. Mortgagor, immediately upon obtaining knowledge of the institution, or the proposed, contemplated, or threatened institution, of any proceedings for the taking of the Mortgaged Property, or any part thereof, by condemnation or eminent domain, will notify Mortgagee of the pendency of such proceedings. Mortgagee shall have the right to intervene and participate in any proceedings for and in connection with any

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taking referred to in this paragraph 3.5, and Mortgagor from time to time shall deliver to Mortgagee all instruments requested by Mortgagee to permit such participation; provided, however, that if such intervention shall not be permissible or permitted by the Court having jurisdiction thereof, the Mortgagor shall, at its expense, consult with the Mortgagee, its attorneys and experts and make all reasonable efforts to cooperate with them in any defense of such proceedings. The Mortgagor shall not enter into any agreement for the taking of the Mortgaged Property or any part thereof with any person or persons authorized to acquire the same by condemnation or eminent domain, unless the Mortgagee shall have consented thereto in writing.

3.6 Disbursements of Insurance and Condemnation Proceeds. If the proceeds received from any insurance or condemnation proceedings including any additional amounts supplied by the Borrower are sufficient to restore or repair the Mortgaged Property in a manner such that upon completion of such repairs or restoration the Mortgaged Property will have a verifiable market value of at least 133% of the outstanding unpaid principal balance of the loan at the time of receipt of such proceeds, then the Borrower shall have the right to have the proceeds applied as hereinafter provided to the costs of such repairs or restoration. Should any insurance or condemnation proceeds be applied to the restoration or repair of the Mortgaged Property, the restoration or repair shall be done under the supervision of an architect acceptable to Mortgagee and pursuant to plans and specifications approved by the Mortgagee. In such case the proceeds shall be held by Mortgagee for such purposes and will, from time to time, be disbursed by Mortgagee to defray the costs of such restoration or repair under such safeguards and controls as Mortgagee may reasonably require to assure completion in accordance with the approved plans and specifications and free of liens or claims. Any surplus which may remain after payment of all costs of restoration or repair may, at the option of the Mortgagee, be applied on account of the indebtedness then outstanding, whether due or not, without application of any prepayment premium or shall be returned to Mortgagor as its interest may appear, the choice of application to be solely at the discretion of Mortgagee.

3.7 Escrow for Taxes and Insurance. Mortgagor shall pay, in addition to the installments payable under the Promissory Note, on the same day as such installments are due and payable, a sum equal to the amount of the estimated annual taxes, insurance premiums and special assessments, if any, next due on the Mortgaged Property, divided by the number of months to elapse before one month prior to the date the taxes, premium, or assessments are next due. If the amount so paid is not sufficient to pay such taxes, insurance premiums, and assessments when due, then Mortgagor will within ten (10) days after demand deposit with Mortgagee amounts sufficient to pay the same. Funds deposited by Mortgagor pursuant to this provision shall be used to pay such taxes, insurance premiums and assessments when due, provided that Mortgagor has furnished Mortgagee with all tax statements, premium notices and other such notices at least twenty (20) days prior to the date that such taxes, premiums, and assessments may be delinquent. If there is a default under the provisions of the Promissory Note or this agreement, Mortgagee may elect, any time after default, to apply the funds accumulated under this provision against the Indebtedness in any manner or order. Notwithstanding the provisions of this Section 3.7 hereof, all deposits for real estate taxes and insurance premiums shall be placed in an interest bearing escrow account ("Tax Escrow Account") in a manner satisfactory to Mortgagee and unconditionally assigned to Mortgagee for use in paying all real estate taxes and insurance premiums when due. All withdrawals from the Tax Escrow Account shall be for the purpose intended and in a manner satisfactory to Mortgagee. Annually, at the end of each Loan year (as described in the Promissory

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Note), Mortgagor shall pay to Mortgagee or its designated servicing agent for managing said Tax Escrow Account the sum of \$250. Interest earned on funds in said Tax Escrow Account shall accrue to Mortgagor and be applied for the purpose intended.

- 3.8 Yearly Statement. Mortgagor shall deliver to Mortgagee, at any time within ninety (90) days after the close of each fiscal year, income and expense statements on the Mortgaged Property prepared in accordance with sound accounting principles consistently applied and certified as to accuracy by the Mortgagor. In addition to the other remedies available to the Mortgagee, failure to provide such Statements shall entitle Mortgagee to audit the books and records of the Mortgagor and/or the beneficiary of Mortgagor, at Mortgagor's expense.
- 3.9 Liens. Except for Permitted Encumbrances set forth in Exhibit B attached hereto and the secondary financing set forth in Section 4.4 of this Mortgage, Mortgagor will not create or allow to be created any charge, lien or encumbrance upon the premises, or any part thereof, including junior mortgages or deeds of trust, without the prior written consent of Mortgagee. Mortgagor will pay promptly when due all charges for utilities or services including but not limited to electricity, gas and water. In the event Mortgagor fails to pay promptly all such charges, Mortgagee may, at its option, pay same and any amounts so paid by Mortgagee shall become immediately due and payable by Mortgagor with interest at the Default Rate (as described in the Promissory Note) of interest and shall be secured by this Mortgage.
- 3.10 Maintenance; Waste; Removal; Construction; Restrictions. Mortgagor shall (a) maintain the Mortgaged Property in good condition and repair, (b) not commit or suffer any waste to the Mortgaged Property, and (c) comply with, or cause to be complied with, all statutes, ordinances and requirements of any governmental authority relating to the Mortgaged Property or any part thereof. Mortgagor shall promptly repair, restore, replace or rebuild any part of the Mortgaged Property, now or hereafter encumbered by this Mortgage which may be affected by any proceeding of the character referred to in paragraph 3.5 herein or which may otherwise become damaged, destroyed, lost, or unsuitable for use. In the event the Mortgaged Property, or any part thereof, is damaged or destroyed by fire or other casualty, Mortgagor shall immediately notify Mortgagee, in writing, of such damage or destruction. Mortgagor shall not cause or permit anything to be done which would or could increase the risk of fire or other hazard to the Mortgaged Property, or any part thereof, or which would or could result in an increase in any insurance premiums payable with respect to the Mortgaged Property. No part of the Mortgaged Property, including but not limited to, any building, structure, water system, sewer system, parking lot, driveway, landscape scheme, timber or other ground improvement, equipment or other property, now or hereafter mortgaged, shall be removed, demolished or materially altered without the prior written consent of Mortgagee. Mortgagor shall complete, within a reasonable time, and pay for any building, structure or other improvement at any time in the process of construction on the property herein mortgaged. Mortgagor shall not initiate, join in or consent to any change in any private restrictive covenant, zoning ordinance or other public or private restrictions limiting or defining the uses which may be made of the Mortgaged Property or any part thereof, provided, however, that Mortgagor may initiate a replatting of property of which the Mortgaged Property is a part, provided that (a) such proposed replat is consented to by Mortgagee, and (b) all fees and costs are paid for by Mortgagor. If Mortgagee's consent to such replat is required, Mortgagee shall be provided with title policy endorsements updating its title policy to

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incorporate the replatted legal description and insuring that Mortgagee's Mortgage continues to be a valid first lien on the Mortgaged Property.

- 3.11 Use of Premises. Mortgagor will not make, suffer, or permit without the written consent of the Mortgagee first had and obtained (a) any use of the Mortgaged Property for any purpose other than that for which the same are now used; (b) any material alterations of the buildings, improvements, fixtures, apparatus, machinery, and equipment now or hereafter erected or located upon the said premises except for customary tenant improvements installed in the ordinary course of business which do not reduce the market value of the Mortgaged Property; (c) any purchase or conditional sale, lease or agreement under which title is reserved in the vendor of any such fixtures, apparatus, machinery, equipment, or personal property to be placed in or upon any of the buildings or improvements on the said premises except for equipment, apparatus, machinery, or personal property: (1) purchased by tenants of the Mortgaged Premises in the ordinary course of their respective businesses and, (2) which can be removed from the Mortgaged Premises without either damage to the Mortgaged Premises or revealing damage to the Mortgaged Premises incurred as a result of installation of such equipment, apparatus, machinery or personal property. Mortgagor will execute and deliver, from time to time, such further instruments as may be requested by Mortgagee to confirm the lien of this Mortgage on any fixtures, machinery, apparatus and equipment described herein.
- 3.12 Mortgagor's Duty to Defend. Mortgagor will defend, at its own cost and expense, and indemnify and hold Mortgagee harmless from any action, proceedings or claim affecting the Mortgaged Property, the Promissory Note or any other loan document. Costs and expenses will include all reasonable attorney's fees.
- 3.13 Mortgagor as Lessor. Mortgagor shall faithfully perform the covenants of Mortgagor as Lessor under any present and future Leases, affecting all or any portion of the Mortgaged Property, and neither do nor neglect to do nor permit to be done, anything which may cause the termination of said Leases, or any of them, or which may diminish or impair their value, or the rents provided for therein, or the interest of Mortgagor or Mortgagee therein or thereunder. Mortgagor agrees (a) that said Leases shall remain in full force and effect irrespective of any merger of the interest of the Lessor and Lessee thereunder; (b) to furnish six months' rental insurance to the Mortgagee, the policy is to be in the amount and form and written by such insurance company as shall be satisfactory to the Mortgagee; (c) not to terminate, modify or amend said Leases or any of the terms thereof, or grant any concessions in connection therewith either orally or in writing, or to accept a surrender thereof without the written consent of the Mortgagee except in the ordinary course of business, and not to enter into any new leases except in the ordinary course of business; (d) not to collect any of the rent, income and profits arising or accruing under said Leases for more than two months in advance of the time when the same become due under the terms thereof; (e) not to discount any future accruing rents; (f) not to execute any other assignments of said Leases or any interest therein or any of the rents thereunder; (g) to perform all of the Mortgagor's covenants and agreements as Lessor under said Leases and not to suffer or permit to occur any release of liability of the Lessees, or any rights to the Lessees to withhold payment of rent; and to give prompt notices to the Mortgagee of any notice of default on the part of Mortgagor with respect to said Leases received from the Lessees thereunder; and to furnish Mortgagee with complete copies of said notices; (h) if so requested by the Mortgagee, to enforce said Leases and all remedies available to the Mortgagor against the Lessees in case of default under said Leases by the Lessees; (i) that none of the rights or remedies of the Mortgagee under this Mortgage shall be delayed or in any way prejudiced by assignment; (j) that notwithstanding any

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variation of the terms of this Mortgage or any extension of time for payment hereunder or any release of part or parts of the lands conveyed hereunder, the Leases and benefits thereby assigned shall continue as additional security in accordance with the terms hereof; (k) not to alter, modify or change the terms of any guarantees of any of said Leases or cancel or terminate such guarantees without the prior written consent of the Mortgagee except in the ordinary course of business; (l) that except in the ordinary course of business, not to consent to any assignments of said Leases, or any subletting thereunder, whether or not in accordance with their terms without the prior written consent of the Mortgagee; (m) not to request, consent to, agree to or accept a subordination of said Leases to any Mortgage or other encumbrance now or hereafter affecting the Mortgaged Property, except for this Mortgage if requested by Mortgagee; (n) not to exercise any right of election, whether specifically set forth in any such Lease or otherwise, which would in any way diminish the Tenant's liability or have the effect of shortening the stated term of the Lease; and (o) not to sell, transfer, assign, or remove any personal property now or hereafter located on the above-described Mortgaged Property unless such action results in substitution or replacement with similar items, owned by Mortgagor and not otherwise encumbered, of equal value, without the prior written consent of Mortgagee. Mortgagor shall deliver (for collateral purposes only) to Mortgagee a recorded assignment of all the Lessor's interest in the Leases, in form and substance satisfactory to Mortgagee (in addition to the assignment in Mortgage herein contained).

IV. EVENTS OF DEFAULT. Mortgagor will be in default (after notice period and opportunity to cure, if any, granted in the Promissory Note) under this Mortgage upon the happening of any of the following events or conditions, (the occurrence of any of them being an "Event of Default") or the happening of any other Event of Default as defined elsewhere in this Mortgage:

- 4.1 Mortgagor fails to make when due any payment of principal or interest under the Indebtedness, or otherwise breaches any of the provisions contained in the Promissory Note.
- 4.2. Mortgagor fails to keep or perform any of the covenants, conditions or stipulations contained in this Mortgage or in any instruments securing, evidencing or related to the Indebtedness.
- 4.3. Any representation or warranty made in this Mortgage, in the Promissory Note, or in any other instrument given as security for the Note by Mortgagor is proved to be untrue as of the time made in any material respect.
- 4.4. This loan is personal to Beneficiary of Mortgagor. Mortgagor understands that as a material inducement in making this loan, Mortgagee has relied on Mortgagor's Beneficiary's reputation, management capability, and occupancy and/or control of said property. If all or any part of the said real property or any interest therein shall be sold, assigned, transferred, encumbered, mortgaged, pledged, or granted as a security interest, or otherwise alienated by Mortgagor without prior written consent, such acts shall be deemed to increase the risk of Mortgagee and Mortgagee shall have the right, at its option, to declare all sums secured by the Mortgage to be immediately due and payable together with the prepayment charge as set forth in the Promissory Note as if the loan were voluntarily paid in full during the sixth year of the loan. For purposes of this Section 4.4, the transfer or sale of any shares of stock of a corporate Mortgagor or transfer in whole or in part of an interest in a Mortgagor partnership or transfer in whole or in part of any beneficial interest of a Mortgagor trust shall constitute a sale or disposition of the Mortgaged Property.

Notwithstanding anything to the contrary herein contained, secondary financing (or an assignment of the beneficiary

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interest to secure secondary financing) shall be permitted, provided that the combined first and second mortgage loan balances shall not at anytime exceed 85% of the then current appraised value of the Mortgaged Property as determined by an M.A.I. appraiser acceptable to Mortgagee, and provided that the debt service on the first and second mortgage loans, computed as though both were fully disbursed (without holdback for a leasing achievement or otherwise), shall be covered by net income from the Mortgaged Property at least 1.35 times and the second mortgage lender is a substantial reputable financial institution.

Second mortgage lender shall execute a Subordination Agreement, on Mortgagee's standard form, fully subordinating the lien of its second mortgage and all of its other rights to those of Mortgagee. All costs of legal documentation and preparation of the Subordination Agreement along with review and approval of all documentation connected with the second mortgage financing shall be paid by the Mortgagor.

Notwithstanding the requirements of this Section 4.4, the following shall be deemed consented to:

- (i) Transfers of partnership interests between limited partners and between limited partners and general partners shall be permitted so long as Gerald M. Greenberg remains a general partner with a minimum 1% interest, and provided that such transfer is fully disclosed to Mortgagee prior to closing of such transfer. In event of the death of Gerald M. Greenberg, Scott D. Greenberg shall be an acceptable general partner to assume Gerald M. Greenberg's minimum 1% interest.
- (ii) As it relates only to the Mortgagor and not to a subsequent owner or purchaser, Mortgagee's approval of a sale or transfer by the original Mortgagor ("Initial Sale") of all or part of the Mortgaged Property shall not be unreasonably withheld so long as the purchaser is financially responsible and experienced in the management of mini-storage units. If approval is given, there shall be no change in the loan terms or other loan documents; however, Mortgagee shall be paid a processing and assumption fee of 2% of the then outstanding loan balance and its servicing agent a fee of 1/4 of 1% of the then outstanding loan balance to cover their costs to review and process documents and other related matters. Any and all legal fees incurred by Mortgagee, to review or prepare documents or a title report and to process a change of ownership, shall be paid by Mortgagor or by purchaser.

For purposes of this paragraph, the term "financially responsible" shall mean that such person would be approved for a new loan under Mortgagee's then current loan underwriting criterion.

Subsequent to an Initial Sale, if the property is sold or if there is any transfer in any manner substantially equivalent to a sale of the ownership interest during the term of the loan, Mortgagee shall have the option to declare due all of the unpaid principal, interest and prepayment charge, or to increase the interest rate thereon, or to otherwise modify the terms of the loan.

In connection with any sale, the Mortgagor is to pay all actual out-of-pocket expenses relating to consent of sale, including fees and expenses of Mortgagee's special counsel; and Mortgagee may impose such reasonable requirements in connection with the Initial Sale as it shall be deemed necessary to assure the enforceability and continued perfection of the lien and security interest securing the loan.

The consent to one such transaction shall not be deemed to be a waiver of the right to require consent to future or successive



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transactions. For purposes of this Section 4.4, a transfer or encumbrance of an interest (in whole or part) in the entity which owns the Mortgaged Property, including the beneficial interest of Mortgagor, or any partnership interest of a partner, or the corporate stock of any corporation which shall own the Mortgaged Property or the beneficiary of Mortgagor shall be deemed to constitute a transfer of the Mortgaged Property.

- 4.5 Mortgagor or any other Maker, or Surety of the Promissory Note (i) admits in writing its inability to pay its debts generally as they become due, (ii) files a petition or answer in bankruptcy seeking to be declared a bankrupt, or seeking reorganization or an arrangement or otherwise to take advantage of any State or Federal bankruptcy or insolvency law, (iii) makes an assignment for the benefit of creditor, (iv) files a petition for or consent to the appointment of a receiver for Mortgagor's assets or any part thereof, (v) is adjudicated a bankrupt, or (vi) has an order, decree or judgment without Mortgagor's consent, entered by a Court of competent jurisdiction appointing a receiver of the Mortgaged Property or approving a petition filed against Mortgagor seeking reorganization or an arrangement of Mortgagor under any bankruptcy or insolvency law, and such order, decree or judgment is not vacated, set aside or stayed within sixty (60) days from date of entry, (vii) shall be dissolved, terminated, liquidated or wound-up.

V. RIGHTS AND REMEDIES OF MORTGAGEE UPON DEFAULT

- 5.1 Payment by Mortgagee of Expenses. If Mortgagor neglects or refuses to act pursuant to any obligation hereunder, or if Mortgagor neglects to make any payment, other than an installment payment, required by the Promissory Note, Mortgage, or any other loan document including but not limited to tax or insurance premium payments Mortgagee may, at its option (whether electing to declare the entire Indebtedness due and collectible or not, or whether electing to pursue other remedies for an Event of Default) on behalf of Mortgagor and in its stead perform such obligation or make such payment and pay all reasonable attorneys' fees, costs and expenses incurred in any such action. All such payments, bearing interest thereon from the time of payment at the Default Date, shall be deemed a part of the Indebtedness and shall be immediately due and payable by Mortgagor to Mortgagee.
- 5.2 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. Notwithstanding any other provision to the contrary, unless the Mortgagee is in immediate jeopardy of suffering damage to or loss of its security or loss of insurance coverage on the Mortgaged Property, Mortgagee agrees to give Mortgagor 15 days written notice of and right to cure any non-monetary default, (or if such default is of a nature that it cannot be cured within 15 days so long as the Mortgagee is not in jeopardy of loss of or to the Mortgaged Property, then such longer time as may be necessary, provided that the Mortgagor is making a diligent good faith effort to effect such cure, but in no event shall such period for cure exceed 90 days) and will give Mortgagor 10 days written notice and right to cure any monetary default, prior to exercising its remedies hereunder, provided that if the Mortgagee is in immediate jeopardy of losing or suffering material damage to its security, that failure to give such notice shall not prohibit the Mortgagee from pursuing any remedies available hereunder. 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 attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated

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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 Mortgaged Property. 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 Mortgaged Property and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by the Mortgagee in any litigation or proceedings affecting this Mortgage, the Note or the Mortgaged Property, 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.

- 5.3 Proceeds of Foreclosure Sale. The proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied in the following order of priority: First, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Section 5.2 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; and lastly, any overplus to the Mortgagor, and its successor or assigns, as their rights may appear.
- 5.4 Receiver. If an event of default shall occur and upon expiration of any applicable cure period, the Mortgagee shall be entitled as a matter of right without notice and without giving bond and without regard to the solvency or insolvency of the Mortgagor, or waste of the Mortgaged Property or adequacy of the security of the Mortgaged Property, to apply for the appointment of a Receiver under any statute or law and such Receiver shall have all the rights, powers, and remedies as provided by such statute or law, including without limitation the rights of receiver, and shall from the date of his appointment through any period of redemption existing at law collect the rents, and all other income of any kind; manage the Mortgaged Property so as to prevent waste; execute Leases within or beyond the use of receivership; and perform the terms of this Mortgage and apply the rents, issues and profits to the payment of the expenses for maintenance of the Mortgaged Property and to the costs and expenses of the receivership, including reasonable attorneys fees, to the repayment of the Indebtedness secured hereby and as further provided in any Assignment of Lessor's Interest in Rents and Leases executed by the Mortgagor to the Mortgagee (whether contained in this Mortgage or in a separate instrument). The Mortgagor does hereby irrevocably consent to such appointment.
- 5.5 Right to Discontinue Proceedings. In the event Mortgagee shall have proceeded to invoke any right, remedy or recourse permitted under this Mortgage and shall thereafter elect to discontinue or abandon the same for any reason, Mortgagee shall have the unqualified right to do so and in such event Mortgagor and Mortgagee shall be restored to their former positions with respect to the Indebtedness secured hereby. This Mortgage, the Mortgaged Property and all rights, remedies and recourse of the Mortgagee shall continue as if the same had not been invoked.
- 5.6 Insurance Upon Foreclosure. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied in rebuilding or restoring the buildings or improvements, as aforesaid, 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

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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 canceled 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 canceled 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 the consent of the Mortgagor, to assign any and all insurance policies to the purchase 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.

5.7. 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 or 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 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 or judgment creditors of the Mortgagor acquiring any interest or title to the Mortgaged 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 the statutes of the State of Illinois. 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 herein or otherwise granted or delegated to the Mortgagee, but will suffer and permit the execution of every such right, power and remedy as though no such law or laws have been made or enacted.

VI. RIGHTS OF MORTGAGEE. In addition to rights referred to in other paragraphs of this Mortgage or any other document securing the Indebtedness, the Mortgagee shall have the following rights.

6.1 Inspection. Mortgagor will permit the Mortgagee's authorized representative to enter the Mortgaged Property at all reasonable times and in any event during normal business hours for the purpose of inspecting the same; provided the Mortgagee shall have no duty to make such inspections and shall not incur any liability or obligation for making or not making any such inspections.

6.2 Waivers; Releases; Resort to Other Security, Etc. Without affecting the liability of any party liable for payment of any Indebtedness secured hereby or performance of any obligation contained herein, and without affecting the rights of the Mortgagee with respect to any security not expressly released in writing, the Mortgagee may, at any time, and without notice to or the consent of the Mortgagor or any party in interest (a) release any person liable for payment of all or any part of the Indebtedness secured hereby or for performance of any obligation herein, (b) make any agreement extending the time or

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otherwise altering the terms of payment of all or any part of the Indebtedness secured hereby or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof, (c) accept any additional security, (d) release or otherwise deal with any property, real or personal, including any or all of the Mortgaged Property, including making partial releases of the Mortgaged Property or (e) resort to any security agreements, pledges, contracts of guarantee, assignments of rents and leases or other securities, and exhaust any one or more of said securities and the security hereunder either concurrently or independently and in such order as it may determine.

6.3 Marshalling of Assets. Mortgagee may make partial release or releases of the Mortgaged Premises hereunder without notice to, or the consent, approval or agreement of other parties in interest, including junior lienors, which partial release or releases shall not impair in any manner the validity of or priority of this Mortgage on the Mortgaged Premises remaining, nor release the Mortgagor from personal liability for the Indebtedness hereby secured.

6.4 Changes of Ownership. In the event that the ownership of the Mortgaged Property becomes vested in a person or persons other than the Mortgagor, the Mortgagee may, unless it expressly agrees in writing to the contrary or as expressly permitted in this Mortgage, continue to deal with the Mortgagor without any obligation to deal with the successor or successors in interest with reference to this Mortgage and the Indebtedness secured hereby. Upon an agreement in writing to deal with such successor in interest the Mortgagee may thereafter deal with such successor in place of Mortgagor without any obligation to thereafter deal with Mortgagor and without waiving any liability of Mortgagor hereunder or under the Note. The Mortgagor shall give immediate written notice to the Mortgagee of any conveyance, transfer or change of ownership of the Mortgaged Property but nothing in this Section contained shall constitute the consent of the Mortgagee to any such conveyance, transfer or change.

6.5 Rights Cumulative. Each right, power or remedy herein conferred upon the Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, now or hereafter arising, available to Mortgagee at law or in equity, or under the Uniform Commercial Code, or under any other agreement, 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 shall not be a waiver of the right to exercise at any time thereafter any other right, power or remedy. No delay or omission by the Mortgagee in the exercise of any right, power or remedy arising hereunder or arising otherwise shall impair any such right, power or remedy or the right of the Mortgagee to resort thereto at a later date or be construed to be a waiver of any default or event of default under this Mortgage or the Promissory Note.

VII. SPECIAL PROVISIONS

7.1 Consent or Approval. The consent by Mortgagee in any single instance shall not be deemed or construed to be Mortgagee's consent in any like matter arising at a subsequent date and the failure of Mortgagee to promptly exercise any right, power, remedy or consent provided herein or at law or in equity shall not constitute or be construed as a waiver of the same nor shall Mortgagee be estopped from exercising such right, power, remedy or consent at a later date.

Any consent or approval required of and granted by Mortgagee pursuant hereto shall:

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- (1) be narrowly construed to be applicable only to Mortgagor and the facts identified in such consent or approval and no third party shall claim any benefit by reason thereof; and
- (2) not be deemed to constitute Mortgagee a venturer or partner with Mortgagor or Beneficiary whatsoever nor shall privity of contract be presumed to have been established with any such third party.

If, to consider a request by Mortgagor or Beneficiary thereof it is necessary that Mortgagee deem it to be to its best interests to retain the assistance of any person, firm or corporation (such as, but not limited to attorneys, appraisers, engineers, surveyors, etc.), Mortgagor or Beneficiary thereof shall reimburse Mortgagee for all costs incurred in connection with the employment of such parties.

7.2 No Claim Against the Mortgagee. Nothing contained in this Mortgage shall constitute any consent or request by the Mortgagee, express or implied, for the performance of any labor or services or for the furnishing of any materials or other property in respect of the Mortgaged Property or any part thereof, nor as giving the Mortgagor or any party in interest with Mortgagor any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would create any personal liability against the Mortgagee in respect thereof or would permit the making of any claim that any lien based on the performance of such labor or services or the furnishing of any such materials or other property is prior to the lien of this Mortgage.

7.3 Subsequent Agreements. Any agreement hereafter made by Mortgagor and Mortgagee pursuant to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance.

7.4 Release of Mortgage. When all indebtedness secured hereby has been paid, this Mortgage and all assignments herein contained shall be void and this Mortgage shall be released by the Mortgagee at the cost and expense of the Mortgagor, otherwise to remain in full force and effect.

7.5 Choice of Law. This Mortgage and the Promissory Note secured thereby is to be governed by the laws of the State of Illinois without regard to its conflict of laws principles.

7.6 Unenforceability of Certain Clauses. The unenforceability or invalidity of any provisions hereof shall not render any other provision or provisions herein contained unenforceable or invalid.

7.7 Usury. This Mortgage, the Note and all other agreements between Mortgagee and Mortgagor are hereby expressly limited so that in no contingency or event whatsoever, whether acceleration of maturity of the Indebtedness or otherwise, shall the amount paid or agreed to be paid to the Mortgagee for the use, forbearance or detention of the money advanced or to be advanced hereunder exceed the highest lawful rate permissible under the laws of the State of Illinois as applicable to this transaction. In determining whether or not the rate of interest exceeds the highest lawful rate, Mortgagor and Mortgagee intend that all sums paid hereunder which are deemed interest for the purposes of determining usury be prorated, allocated or spread in equal parts over the longest period of time permitted under the applicable laws of the State of Illinois. If, from any circumstances whatsoever, fulfillment of any provision hereof, of the Note or of any other agreement securing the Indebtedness, at the time performance of such provision shall be due, shall involve the payment of interest in excess of that authorized by law, the obligation to be fulfilled shall be reduced to the limit so

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authorized by law, and if from any circumstances, Mortgagee shall ever receive as interest an amount which would exceed the highest lawful rate, the amount which would be excessive shall be either applied to the reduction of the unpaid principal balance of the Indebtedness (and not to the payment of interest) or refunded to Mortgagor (and the Mortgagor hereby agrees to accept such refund), and Mortgagee shall not be subject to any penalty provided for the contracting for, charging or receiving interest in excess of the maximum lawful rate regardless of when or the circumstances under which such refund for application was made.

- 7.8 Assignment of Rents. As further security for the Indebtedness hereby secured the Mortgagor has, concurrently herewith, executed 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 has assigned to the Mortgagee (for collateral purposes only) all of the rents, issues and profits and/or any and all leases and/or the rights of management of the Mortgaged Property 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. The Mortgagor agrees that it will duly perform and observe all of the terms and provisions on its part to be performed and observed under the Assignment. The Mortgagor further agrees that it will duly perform and observe all of the terms and provisions on lessor's part to be performed and observed under any and all leases of the Mortgaged Property to the end that no default on the part of lessor shall exist thereunder. Nothing herein contained shall be deemed to obligate the Mortgagee to perform or discharge any obligation, duty or liability of lessor under any lease of the Mortgaged Property, and the Mortgagor shall and does hereby indemnify and hold the Mortgagee harmless except for Mortgagee's negligent and willful acts from any and all liability, loss or damage which the Mortgagee may or might incur under any lease of the Mortgaged Property or by reason of the Assignment; and any and all such liability loss or damage incurred by the Mortgagee, together with the costs by reason of the Assignment; and any and all such liability loss or damage incurred by the Mortgagor, together with the costs and expenses, including reasonable attorney's fees, incurred by the Mortgagee in the defense of any claims or demands therefor (whether successful or not), shall be so much additional Indebtedness hereby secured, and the Mortgagor shall reimburse the Mortgagee therefor on demand, together with interest at the Default Rate from the date of demand to the date of payment.
- 7.9 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 Mortgaged Property by the Mortgagee pursuant to the Assignment.
- 7.10 Captions and Headings. 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.
- 7.11 Notice. 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 or overnight nationally marketed courier service (Federal Express, Purolator, Emory) to their respective addresses as set forth below, or to such other places any party hereto may hereafter by notice in writing

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designate shall constitute service of notice hereunder. For purposes of this Section, the addresses of the parties are as follows:

Mortgagee: CENTURY LIFE OF AMERICA
c/o Mid-North Financial Services, Inc.
205 West Wacker Drive, Suite 202
Chicago, Illinois 60606

Mortgagor: AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO
as Trustee under Trust No. 63784
33 N. LaSalle Street
Chicago, Illinois 60690

With copies to: Schaumburg Mini-Storage Limited Partnership
Gerald M. Greenberg, General Partner
c/o ECD Company
625 North Michigan Avenue
Fifth Floor
Chicago, Illinois 60611

and

David Glickstein, Esq.
Greenberger, Krauss & Jacobs
180 North LaSalle, Suite 2700
Chicago, Illinois 60601

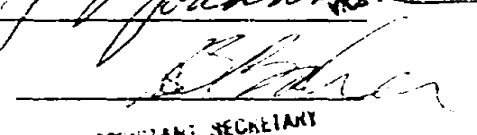
7.12 Successors and Assigns. This Mortgage applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term "Mortgagee" shall mean the owner and holder, including pledgees of the Note secured hereby, whether or not named as Mortgagee herein.

7.13 Exculpation. Notwithstanding any of the provisions of this Mortgage, which are set forth hereinbefore or which may be set forth hereinafter to the contrary, Mortgagee covenants and agrees that in the event Mortgagee should at any time take action to enforce the collection of the Indebtedness due Mortgagee, the Mortgagee may foreclose or exercise the power of sale contained in the Mortgage, if any, and/or exercise other remedies Mortgagee may have against other property, real and personal, pledged as security for Indebtedness. In the event as a result of the foreclosure and sale of all real and personal property pledged as security for the Indebtedness, a lesser sum is realized from the sale of the real and personal property than the amount due and owing on the Indebtedness, Mortgagee shall not seek any deficiency judgment against Mortgagor or any beneficiary thereof or any partner therein. It being understood and agreed that Mortgagor or any beneficiary thereof or any partner therein shall not have any personal liability for the payment of the Indebtedness, and the Indebtedness shall be considered non-recourse to the Mortgagor or any beneficiary thereof.

IN WITNESS WHEREOF, we have set our hand not personally but as Trustee as aforesaid, has caused these presents to be signed by one of its Vice Presidents or Assistant Vice Presidents and its corporate seal to be hereunto affixed and attested by its Assistant Secretary, all on and as of the date first above written.

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

BY:  **VICE PRESIDENT**

ATTEST:  **ASSISTANT SECRETARY**

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State of Illinois)
County of Cook)ss

I, LORETTA M. SWIENSKI, a Notary Public in and for said County in the State aforesaid, do hereby certify that Robert E. Rowland Vice President of American National Bank and Trust Company of Chicago and SUZANNE G. [unclear] Assistant Secretary of said Bank personally known to me to be the same person whose names are subscribed to the foregoing instrument as such Vice President and Assistant 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 acts, and as the free and voluntary act of said Bank, as Trustee, for the uses and purposes therein set forth; and the said Assistant Secretary did also then and there acknowledge that he, as custodian for the corporate seal of said Bank, did affix the said instrument as his own free and voluntary act, and as the free and voluntary act of said Bank as Trustee, for the uses and purposes therein set forth.

Given under my hand and notarial seal this ___ day of ___, A.D., 1987.

Loretta M. Swienksi
Notary Public in and for
said county and state

My commission expires: _____



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This instrument was prepared by: Michael Murphy, Esq.
Associate General Counsel
Century Life of America
Heritage Way
Waverly, IA 50677

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EXHIBIT A - LEGAL DESCRIPTION

Lots 1 and 2 in Schaumburg Shopette Resubdivision, being a Resubdivision of Schaumburg Mini-Storage Resubdivision, being a Resubdivision of Lot 2 in Miles Laboratories Inc. Subdivision, being a Resubdivision of Lot 1 in Tollway Industrial Park, being a Subdivision of part of the East 1/2 of Section 33 and part of Section 34, Township 42 North, Range 10, East of the Third Principal Meridian (excepting therefrom the West 100 feet measured at right angles of the South 125 feet measured at right angles of Lot 1 in said Tollway Industrial Park), in Cook County, Illinois.

Permanent Tax Number: 02-33-401-021 ALL Volume: 150
HEO H

LEGAL RECORDING \$30.00
TRUST TRANS. 4295 02/19/87 15 55 97
RECORD # A * 87-099512
COOK COUNTY RECORDER

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EXHIBIT B Permitted Exceptions

1. General taxes not yet due or payable
2. Easements created by Plats of Subdivision recorded:
 - May 23, 1966 as document number 19,834,935
 - May 9, 1983 as document number 26,597,898
 - October 7, 1985 as document number 85,224,089
 - February 13, 1987 as document number 87,087,400
4. Easements recorded
 - December 4, 1986 as document number 86,579,873
5. Covenants, Conditions and Restrictions contained in deed recorded
 - December 21, 1966 as document number 20,027,227
6. *Rights of Tenants only, in possession under leases subordinate thereto.*

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57-099512