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MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (hereinafter referred to as this "Mortgage") dated January 20, 1988, made by INTEGRATED HEALTH SERVICES OF BRENTWOOD, INC. (the "Company" or the "Mortgagor") in favor of FIDELITY BANK, NATIONAL ASSOCIATION ("Fidelity"), SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION ("SouthTrust"), SOVRAN BANK/CENTRAL SOUTH ("Sovran"), FIRST BANK NATIONAL ASSOCIATION ("First Bank") and Fidelity as agent for itself and the Banks (in such capacity, "Agent") (SouthTrust, Sovran and First Bank, together with Fidelity in its capacity as Bank and as Agent, are herein collectively termed the "Banks" or "Mortgagees" and individually, as a "Bank" or "Mortgagee") pursuant to the Credit and Agency Agreement dated as of July 7, 1987, as amended, among Integrated Health Services, Inc. ("IHS"), all of its affiliates which have become party thereto, the Banks and the Agent (such Credit and Agency Agreement, as the same may from time to time hereafter be further amended or supplemented, by joinder agreements, including the Joinder Agreement dated January 20, 1988 between the Company and the Banks, or otherwise, the "Loan Agreement").

WITNESSETH:

1. DEFINITIONS

1.1 Wherever used in this Mortgage, "Mortgagor's Liabilities" means any and all of the following: (i) the payment of any and all monies, including, but not limited to, the payment, when due or declared due, of the principal sum thereof and interest thereon, now and/or hereafter owed or to become owing by Mortgagor to Mortgagees under and/or pursuant to the terms and provisions of those certain Loan Notes issued on the date hereof by IHS and the Company in favor of the Banks, in the amounts of $2,536,875 (in the case of Fidelity and SouthTrust) and $1,268,437.50 (in the case of Sovran and First Bank) reflecting an aggregate Revolving Loan of $7,610,625 and those certain Term Notes (as hereinafter defined) to be issued by the Company and IHS on the Conversion Date (as defined in the Loan Agreement) in substitution for the Loan Notes, in favor of the Banks (the Loan Notes and the Term Notes are hereinafter collectively referred to as the "Notes"); (ii) the payment of any and all other debts, claims,

This Instrument ws prepared by and should be returned to Thomas M. Fahey, 525 W. Monroe Street - Suite 1600, Chicago, Illinois 60606

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obligations, demands, monies, liabilities and/or indebtedness (of any and every kind or nature) now and/or hereafter owing, arising, due or payable from Mortgagor to Mortgagees under and/or pursuant to the terms and provisions of this Mortgage; and (iii) the payment of any and all other debts, claims, obligations, demands, monies, liabilities and/or indebtedness (of any and every kind or nature) now and/or hereafter owing, arising, due or payable from Mortgagor to Mortgagees, howsoever evidenced, created, incurred, acquired or owing, whether primary, secondary, direct, contingent, fixed or otherwise, and arising under and/or pursuant to the terms and provisions of any other agreements, security agreements, assignments of leases and rents, instruments and/or documents now and/or hereafter executed and delivered by or for Mortgagor to Mortgagees, including without limitation, the "Loan Agreement" (hereinafter to be sometimes collectively referred to as the "Other Agreements"); provided, that in no event shall the total of the Mortgagor's Liabilities secured by this Mortgage exceed $33,000,000.00.

1.2 Wherever used in this Mortgage, "Mortgagor's Obligations" means the prompt, full and faithful performance, discharge, compliance and observance by Mortgagor of each and every term, condition, warranty, representation, agreement, undertaking, covenant and provision to be performed, discharged, observed or complied with by Mortgagor in this Mortgage, the Notes and/or in the Other Agreements.

1.3 Wherever used in this Mortgage, "Mortgaged Property" means any and all of the following: (i) all of the real estate, and all of Mortgagor's estate, right, title and interest therein, whether now owned or hereafter acquired, legally described on Exhibit "A" attached hereto and made a part hereof (the "Land"), together with all buildings, improvements, tenements, easements, hereditaments, and appurtenances now and/or at any time or times hereafter upon, belonging or otherwise appertaining to or situated on said real estate and all heretofore or hereafter roads, alleys, streets and other public ways abutting said real estate, whether before or after vacation thereof (hereinafter collectively with the Land referred to as the "Premises"); (ii) all present and future rents, issues, avails, profits and proceeds under present or future leases (which are pledged primarily and on a parity with said Premises and not secondarily), (hereinafter referred to as the "Rents") of or from the Premises, the "Leases" and/or the "Equipment" (both of which terms are hereinafter defined), howsoever occurring, existing, created or arising; (iii) all present and future leases, agreements, tenancies, licenses and franchises (hereinafter referred to as the "Leases"), of or from the Premises and/or the Equipment or in any way, manner or respect required, existing, used or usable in connection with the Premises and/or the Equipment or the management, maintenance, operation or

business thereof, and all deposits of money as advance rent or for security under any or all of the Leases and all guaranties of lessees' performances thereunder; (iv) all present and future judgments, awards of damages and settlements made as a result or in lieu of any taking of the Premises, the Equipment and/or the Leases, or any part thereof, under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) thereto; (v) all present and future apparatus, machinery, equipment, fixtures and articles of personal property of any and every kind and nature whatsoever now owned or hereafter acquired by the Mortgagor, and used, attached to, installed or located in or on the Premises, or required for use in or on or in connection with the Premises or the management, maintenance, operation or business thereof and all replacements thereof and accessions thereto (hereinafter referred to as the "Equipment"), including, but not limited to, any such item of Equipment now or at any time or times hereafter situated on the Premises and used to supply or otherwise deliver heat, gas, air conditioning, water, light, electricity, power, plumbing, refrigeration, sprinkling, ventilation, mobility, communication, incineration, recreation and all other related or other such services (all of the immediately above mentioned items or Equipment being deemed to be a part of the Premises, whether physically attached hereto or not); (vi) all present and future insurance policies in force or effect insuring the Premises, the Rents, the Leases or the Equipment; (vii) all "Accounts" as that term is defined in the Security Agreement and Assignment of Contracts, dated January 20, 1988 by and between the Company and the Banks; and (viii) all proceeds of each and all of the foregoing.

1.4 Wherever used in this Mortgage, the term "and/or" means one or the other or both, or any one or all, of the things, events or persons or parties in connection with which the term is used.

1.5 Wherever used in this Mortgage, the term "Term Note" means those certain promissory notes to be delivered by IHS and the Company to the Banks on the Conversion Date (as defined in the Loan Agreement) applicable to the Loan Notes, such Term Notes to be substantially in the form attached hereto as Exhibit B-1 to B-4.

1.6 All terms used in this Mortgage as defined terms, but not defined herein, shall have the meanings ascribed to them in the Loan Agreement. All defined terms used in this Mortgage shall have the same meanings when used in any Loan Document or any certificate or any other document made or delivered pursuant hereto.

2. CONVEYANCE

2.1 To secure the payment by Mortgagor of Mortgagor's Liabilities and the performance by Mortgagor of Mortgagor's Obligations, Mortgagor hereby does MORTGAGE to Mortgagees, its successors and assigns, forever, the Mortgaged Property for the purposes and uses set forth in this Mortgage; provided, nevertheless, that if Mortgagor, its successors or assigns, shall satisfy, discharge and otherwise pay to Mortgagees, its successors or assigns, in full, Mortgagor's Liabilities and keep and perform all of Mortgagor's Obligations, then this Mortgage shall become null and void and shall be released at Mortgagor's expense.

2.2 This Mortgage shall operate as and constitute a Security Agreement with respect to that portion of the Mortgaged Property constituting property or interests in property, whether real or personal, tangible or intangible, which are subject to the priority and perfection of security interest provisions of the Uniform Commercial Code or any similar and applicable law, statute, code or other governing body of law. Therefore, to secure the payment by Mortgagor of Mortgagor's Liabilities and the performance by Mortgagor of Mortgagor's Obligations, Mortgagor hereby grants to Mortgagees a security interest in the Mortgaged Property and Mortgagor does hereby set over, assign, and transfer to Mortgagees all of the Leases and Rents subject to the terms and conditions of this Mortgage.

2.3 Mortgagor, within ten (10) days after request by Mortgagees therefor, will certify, in writing, to Mortgagees, or to any proposed assignee of this Mortgage, the amount of principal and interest then owing; and unpaid under the Notes and whether Mortgagor has or asserts any offsets or defenses thereto.

2.4 Mortgagor, immediately upon request by Mortgagees, at Mortgagor's sole expense, will or will cause to be made, executed and delivered to Mortgagees, in form and substance acceptable to Mortgagees, all "Documents" (as hereinafter defined) that Mortgagees are advised are and/or deem necessary or appropriate to evidence, document or conclude the transactions described in and/or contemplated by this Mortgage, the Notes or the Other Agreements or required to perfect or continue perfected, as valid encumbrances, the encumbrances granted herein or in the Other Agreements by or for Mortgagor to Mortgagees upon the Mortgaged Property. As used in this Paragraph, "Documents" means any mortgage, deed of trust or similar instrument, assignment of leases, assignment of rents, note, security agreement, financing statement, assignment of insurance, loss payable clause, mortgage title insurance policy, letters of opinion, estoppel letter, insurance certificate, appraisal, survey and any other similar such agreements or documents.

3. COVENANTS AND REPRESENTATIONS

3.1 Mortgagor covenants with and represents to Mortgagees as follows:

(i) Mortgagor promptly will pay, or cause to be paid, when due or declared due, Mortgagor's Liabilities and promptly, fully and faithfully will perform, discharge, observe and comply with each and all of Mortgagor's Obligations.

(ii) Mortgagor now has and hereafter shall maintain the standing, right, power and lawful authority to own the Mortgaged Property, to carry on the business of and operate the Mortgaged Property, to enter into, execute and deliver this Mortgage, the Notes and the Other Agreements to Mortgagees, to encumber the Mortgaged Property to Mortgagees as provided herein or in the Other Agreements and to perform all of Mortgagor's Obligations and to consummate all of the transactions described in or contemplated by this Mortgage, the Notes and the Other Agreements.

(iii) The execution, delivery and performance by Mortgagor or its beneficiary of and under this Mortgage, the Notes and the Other Agreements does not and will not constitute a violation of any applicable law and does not and will not conflict with or result in a default or breach of or under, or an acceleration of any obligation arising, existing or created by or under any agreement, instrument, document, mortgage, deed, trust deed, note, judgment, order, award, decree or other restriction to which Mortgagor or any of the Mortgaged Property is or hereafter shall become a party, or by which Mortgagor or any of the Mortgaged Property is or hereafter shall become bound, or any law or regulatory provision now or hereafter affecting Mortgagor or any of the Mortgaged Property.

(iv) The various other data and information relating to the Mortgaged Property and the operation and business thereof heretofore and from time to time hereafter delivered by or for Mortgagor to Mortgagees are and shall be correct, complete and accurate in all respects.

(v) Mortgagor or its beneficiary shall timely file all federal, state and other governmental tax and similar returns which Mortgagor or its beneficiary is required by law to file with respect to the Mortgaged Property and the operation and business thereof. All taxes and other sums which are shown to be payable under such returns shall be timely and fully paid, and Mortgagor or its beneficiary shall maintain adequate reserves in amount to fully pay all such liabilities which hereafter may accrue.

(vi) All of the Leases, if any, are or shall be genuine, in all respects that they purport to be, free of set-offs, counterclaims or disputes and valid and enforceable in accordance with their terms; all parties to the Leases have and/or shall have the capacity to contract thereunder; and except for security deposits and rent being paid in advance monthly on the first day of each month provided for under the Lease, and revealed by Mortgagor to Mortgagees in writing, no advance payments have been or shall be made thereunder.

(vii) There is no litigation, action, claim or proceeding pending or threatened which might, in any way, manner or respect, materially or adversely affect the Mortgaged Property, the operation or the business thereof, Mortgagees encumbrances thereon, the collectibility of the Notes, the ability of Mortgagor to repay the Notes or the financial condition of the Mortgaged Property or the operation or business thereof.

(viii) Upon completion of any improvements on the Premises, Mortgagor and the Mortgaged Property will possess and hold and shall thereafter maintain adequate properties, interests in properties, leases, licenses, franchises, rights and governmental and other permits, certificates, consents and approvals to conduct and operate the business of the Mortgaged Property. None of the foregoing contain or shall contain any term or condition that is materially burdensome to said business or different then those of the foregoing possessed or held by other parties conducting or operating a similar business.

(ix) There does not exist and hereafter there shall not arise any default or breach of or under any agreement, instrument or document for borrowed money by which Mortgagor or the Mortgaged Property is bound or obligated.

(x) The location, existence and use of the Premises and the Equipment are and shall remain in compliance with all applicable laws, rules, ordinances and regulations, including, but not limited to, building and zoning laws, and all covenants and restrictions of record.

(xi) Mortgagor is and shall remain in peaceful possession of and will forever warrant and defend the Mortgaged Property from and against any and all claims thereon or thereto of any and all parties.

(xii) Mortgagor will save and hold Mortgagees harmless of and from any and all damage, loss, cost and expense, including, but not limited to, reasonable attorneys' fees, costs and expenses, incurred by reason of or arising from or on account of or in connection with any suit or proceeding, threatened, filed

and/or pending, in or to which Mortgagees is or may become or may have to become a party by reason of, or arising from, or on account of, or in connection with Mortgagor's Liabilities, this Mortgage, the Notes or the Other Agreements.

3.2 Mortgagor covenants with and represents to Mortgagees that Mortgagor is lawfully seized, possessed and the owner of and has good and indefeasible, marketable fee-simple title to the Mortgaged Property, free and clear of debts, exceptions, security interests, assessments, and all other types of encumbrances (hereinafter referred to as the "Encumbrances") except those matters of record approved in writing by Mortgagees.

3.3 Mortgagor covenants with and represents to Mortgagees as follows:

(i) Mortgagor will not change the use or character of or abandon the Mortgaged Property and at all times hereafter shall keep the Mortgaged Property in good condition and repair and will not commit or suffer waste and will make all necessary repairs, replacements and renewals (including the replacement of any items of the Equipment) to the Mortgaged Property so that the value and operating efficiency thereof shall at all times hereafter be maintained and preserved. Mortgagor shall not remove any fixture or demolish any building or improvement located in or on the Premises. Mortgagor shall pay for and complete, within a reasonable time, any building or improvement at any time in the process of erection upon the Premises, shall refrain from impairing or diminishing the value of the Mortgaged Property and shall make no material alterations to the Mortgaged Property which in the opinion of Mortgagees diminishes its value, and promptly shall repair, restore or rebuild any building or improvement now or hereafter on the Premises which may become damaged or destroyed. Mortgagor shall comply with all requirements of law and all municipal ordinances governing the Mortgaged Property and the use thereof. Mortgagor shall permit Mortgagees, and its agents, upon demand, to have access to, and to inspect the Mortgaged Property at all reasonable times.

(ii) Mortgagor promptly shall pay and discharge, as and when due and payable, before any penalty attaches, all charges, impositions, levies, assessments and taxes (whether general, special or otherwise), water charges, sewer service charges and all other municipal or governmental charges impositions, levys, assessments and taxes of any kind or nature that may be at any time levied, assessed or imposed upon or against the Mortgaged Property, or any part thereof, and shall deliver to Mortgagees duplicate receipts evidencing payment thereof at least thirty (30) days before delinquency. To prevent default hereunder, and so long as Mortgagor is not in default hereunder, under the Notes or

the Other Agreements, in the event of a disputed charge, imposition, levy, claim, demand, assessment or lien, Mortgagor shall be permitted to contest same so long as Mortgagor shall (A) contest, in good faith and at its sole cost and expense, the existence, amount or validity of any such charge, imposition, levy, claim, demand, assessment or lien which, if unpaid, might result in or permit the creation of a lien on the Mortgaged Property, by appropriate legal proceedings which shall operate during the pendency thereof to prevent (1) the collection or other realization upon said charge, imposition, levy, claim, demand, assessment or lien, (2) the sale, forfeiture or loss of any part of the Mortgaged Property to satisfy the same or pay damages on account thereof, and (3) any interference with the use or occupancy of the Mortgaged Property or any part thereof, (B) give written notice to Mortgagees of the intention of Mortgagor to proceed with a contest, such notice to specify the nature and amount of the charge, imposition, levy, claim, demand, assessment or lien to be contested, as may be appropriate, and (C) post with Mortgagees or with a title insurance company licensed to do business in Illinois and reasonably acceptable to Mortgagees, security acceptable to bond over such charge, imposition, levy, claim, demand, assessment or lien. Upon payment in full, performance, settlement, release or other complete discharge or satisfaction of the charge, imposition, levy, claim, demand, assessment or lien that has been contested as provided herein, any balance of the funds deposited as provided herein as a condition to the right to prosecute such contest and not utilized in effecting such payment shall be paid to Mortgagor, without interest. Mortgagor agrees that each contest hereunder shall be promptly prosecuted to a final conclusion. Mortgagor further agrees to pay, and save Mortgagees harmless against, any and all losses, judgments, decrees and costs (including all attorneys' fees and expenses) in connection with any such contest and will, promptly with the final settlement, compromise or determination of such contest, fully pay and discharge the amounts which may be levied, assessed, charged or imposed or be determined to be payable therein or in connection therewith, together with penalties, fines, interests, costs and expenses thereof or in connection therewith, and perform all acts the performance of which shall be ordered or decreed as a result thereof. No such contest shall subject Mortgagees to the risk of any loss, damage, civil liability or criminal liability. In the event Mortgagor shall fail to contest the validity of any charge, imposition, levy, claim, demand, assessment, or lien and give security to Mortgagees or a title insurance company, as aforesaid, to insure payment thereof as hereinabove permitted, or having commenced to contest the same and having given such security, shall fail to prosecute such contest with diligence, or shall fail to have the same released and satisfy any judgment rendered thereon, then Mortgagees may, at its election (but shall not be required to do

so), remove or discharge the same by paying said charge, imposition, levy, claim, demand, assessment or lien, or any judgment resulting therefrom, in full without obligation to verify the validity thereof (or, in its sole and absolute discretion, to settle or compromise the same), and any amounts advanced by Mortgagees for such purposes shall be an additional indebtedness due under the Notes and secured hereby and due Mortgagees and payable immediately upon demand, with interest thereon at the default interest as set forth in the Notes. If Mortgagees are required by legislative enactment or judicial decision to pay the United States of America, the State of Illinois or any political subdivision thereof, any charge, imposition, assessment, levy or tax on the Mortgaged Property (or on any interest therein), this Mortgage, the Other Agreements or Mortgagor's Liabilities, all of Mortgagor's Liabilities shall become and be due and payable, at the election of Mortgagees, thirty (30) days after the mailing of notice of such election to Mortgagor; provided, however, said election and right to elect will be unavailing and this Mortgage, the Notes and the Other Agreements will be and remain in full force and effect as though said law had not been enacted or said decision had not been rendered if, notwithstanding such law or decision, Mortgagor lawfully may pay such charge, imposition, assessment, levy or tax to or for Mortgagees and does, in fact, pay, when payable, such charge, imposition, assessment, levy or tax. Notwithstanding the foregoing, Mortgagor shall have no obligation to pay any income or profit tax that is or may be imposed upon Mortgagees as a consequence of its general business activities, including the receipt of interest or other charges under the Notes, this Mortgage and the Other Agreements. If at any time the United States of America shall require internal revenue stamps to be affixed to this Mortgage, the Notes or the Other Agreements, Mortgagor will pay for the same, together with any interest or penalties imposed in connection therewith.

(iii) Mortgagor shall keep the Mortgaged Property free and clear of all Encumbrances (including, but not limited to, mechanics liens and other similar liens or claims for liens) of any and every kind and nature, except those described in Paragraph 3.2 above, shall promptly pay or cause to be paid, as and when due and payable or when declared due and payable, any indebtedness which may become or be secured by such an Encumbrance and, immediately upon request by Mortgagees, shall deliver to Mortgagees evidence satisfactory to Mortgagees of the payment and discharge thereof. To prevent default hereunder, and so long as Mortgagor is not in default hereunder, under the Notes or the Other Agreements, Mortgagor may indemnify Mortgagees, by suitable performance bond or title insurance endorsement, or by another means reasonably acceptable to Mortgagees, against loss by reason of such an Encumbrance which Mortgagor may desire, in good faith, to contest, and Mortgagor shall comply with the provisions of

3.3(ii) hereof relative to contesting charges, liens, etc. If, in accordance with the terms of this Mortgage, Mortgagees make payment of any such Encumbrance, Mortgagees shall be subrogated to the rights of such claimant notwithstanding that the Encumbrance may be released of record.

(iv) Mortgagor shall not, at any time or times hereafter, pledge, hypothecate or otherwise encumber all or any portion of the Mortgaged Property or Mortgagor's interest therein, nor shall the beneficiary of Mortgagor pledge, hypothecate or encumber all or any portion of its beneficial interest in Mortgagor, nor shall any general partner or general partners of the beneficiary of Mortgagor pledge, hypothecate or otherwise encumber all or any portion of its or their partnership interest in said beneficiary of Mortgagor. Without the prior written consent of Mortgagees, Mortgagor shall not sell or otherwise transfer all or any portion of the Mortgaged Property or Mortgagor's interest therein, nor shall the beneficiary of Mortgagor sell or otherwise transfer all or any portion of its beneficial interest in Mortgagor, nor shall any general partner or general partners of the beneficiary of Mortgagor sell or otherwise transfer all or any portion of its or their general partnership interest in the beneficiary of Mortgagor.

(v) All present and future items of fixtures, equipment, furnishings or other tangible personal property owned by Mortgagor (whether or not constituting a part of the Mortgaged Property) related or necessary to or used or usable in connection with any present or future building or improvement on the Premises, or the operation or business thereof, are and will be owned free and clear of all Encumbrances except those permitted in Paragraph 3.2 above and Mortgagor will not acquire any such property subject to any Encumbrance except those Encumbrances permitted in Paragraph 3.2 above. Within five (5) days after request by Mortgagees, Mortgagor will execute and deliver to Mortgagees a security agreement and financing statement, in form and substance acceptable to Mortgagees, covering all such property.

(vi) Mortgagor shall enter into no lease for any portion of the Mortgaged Property which (a) is not at market rates, the rental provisions for which shall provide for stabilized increases in base rent over the term thereof and (b) is not approved by Mortgagees.

3.4 If Mortgagor, immediately after written demand from Mortgagees, shall neglect or refuse to keep the Mortgaged Property in good operating condition and repair or to replace or maintain the same as herein agreed; or shall fail to pay the premiums for the insurance which is required to be maintained hereunder, shall

fail to pay and discharge all Encumbrances as herein agreed, or otherwise defaults in the performance of Mortgagor's Obligations, Mortgagees, at its sole election, may cause such repairs or replacements to be made, obtain such insurance, pay such Encumbrances or perform such Obligations. Any amounts paid by Mortgagees in taking such action, together with interest thereon at the default interest rate, as set forth in the Notes, from the date of Mortgagees payment thereof until repaid by Mortgagor to Mortgagees, shall be due and payable by Mortgagor to Mortgagees upon demand, and, until paid, shall constitute a part of Mortgagor's Liabilities secured by this Mortgage. Notwithstanding the foregoing, such advances by Mortgagees shall not be deemed to relieve Mortgagor from any default hereunder or impair any right or remedy consequent thereon. The exercise of the right to take such action shall be optional with Mortgagees and not obligatory upon Mortgagees and Mortgagees shall not in any case be liable to Mortgagor for failure or refusal to exercise any such right. In making any payments pursuant to the exercise of any such right, Mortgagees may rely upon any bills delivered to it by Mortgagor or any such payee and shall not be liable for any failure to make payments in any amounts other than as set forth in any such bills.

3.5 Notwithstanding anything contained herein, Mortgagees shall not be obligated to perform or discharge, and do not hereby undertake to perform or discharge, any obligation, duty or liability of Mortgagor, whether hereunder, under any contract relating to the Mortgaged Property or otherwise, and Mortgagor shall and does hereby agree to indemnify against and hold Mortgagees harmless of and from: any and all liability, loss or damage which Mortgagees may incur under or with respect to any portion of rights hereunder; and any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants or agreements contained in any of the contracts, documents or instruments affecting any portion of the Mortgaged Property or effecting any rights of the Mortgagor thereto. Mortgagees shall not have responsibility for the control, care, management, or repair of the Mortgaged Property or be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Mortgaged Property or be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Mortgaged Property resulting in loss or injury or death to any tenant, licensee, employee, stranger or other person. No liability shall be enforced or asserted against Mortgagees in its exercise of the powers herein granted to it, and Mortgagor expressly waives and releases any such liability. Should Mortgagees incur any such liability, loss or damage under any of the leases affecting the premises or under or by reason hereof, or in the defense of any

claims or demands, Mortgagor agrees to reimburse Mortgagees immediately upon demand for the full amount thereof, including costs, expenses and attorneys' fees.

3.6 Mortgagor and Mortgagees acknowledge and agree that in no event shall any of the Mortgagees be deemed to be a partner or joint venturer with Mortgagor or any beneficiary of Mortgagor. Without limitation of the foregoing, the Mortgagees shall not be deemed to be partners or joint venturers on account of its becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage or pursuant to any other instrument or document evidencing or securing any of the indebtedness secured hereby, or otherwise.

4. TAXES, INSURANCE AND CONDEMNATION

4.1 (A) Mortgagor, at all times, shall keep and maintain the Mortgaged Property fully insured (without co-insurance) against loss or damage by, or abatement of rental income resulting from, fire and extended coverage, malicious mischief and vandalism, and such other hazards, casualties and contingencies as Mortgagees, from time to time, may require in companies, form, amounts and for such periods as is satisfactory to Mortgagees, but, in any event, for not less than the greater of the outstanding principal balance of the Notes and the full replacement value of the Mortgaged Property, and all completed improvements, fixtures and equipment from time to time on the Land, without deduction for depreciation.

All insurance policies of Mortgagor and renewals thereof (hereinafter referred to as the "policies") shall contain, in form and substance acceptable to Mortgagees, standard mortgagee loss payable clauses naming Mortgagees as "Mortgagees," as well as a standard waiver or subrogation endorsement and a "Replacement Cost Endorsement" together with an "agreed amount endorsement" sufficient to prevent Mortgagor from being deemed a co-insurer and shall be delivered, as issued, to Mortgagees, with premiums therefor paid in full by Mortgagor. Mortgagor shall also keep in effect rent loss insurance and/or business interruption insurance. All policies shall provide that they are non-cancellable by the insurer without first giving at least thirty (30) days prior written notice to Mortgagees of any intended cancellation. Mortgagor will give immediate written notice to Mortgagees of any loss or damage to the Mortgaged Property caused by any casualty. In case of policies about to expire, Mortgagor will deliver to and deposit with Mortgagees renewal policies not less than forty-five (45) days prior to the respective dates of expiration. Mortgagor will deliver and deposit with Mortgagees receipts for the payment of the current annual premiums on all policies. In the event of foreclosure of this Mortgage or assignment hereof by Mortgagees or

transfer of title to the Mortgaged Property in extinguishment of Mortgagor's Liabilities, all right, title and interest of Mortgagor in and to any policies then in force shall pass to the purchaser, grantee or assignee.

(B) (i) In case of loss or damage by fire or other casualty full power is hereby conferred on Mortgagees:

(a) to settle and compromise all claims; under all policies;

(b) to demand, receive and receipt for all monies becoming due and/or payable under all policies;

(c) to execute, in the name of Mortgagor or in the name of Mortgagees, any proofs of loss, notices or other instruments in connection with all claims under all policies; and

(d) to assign all policies to any holder of Mortgagor's Liabilities or to the grantee of the Mortgaged Property in the event of the foreclosure of this Mortgage or other transfer of title to the Mortgaged Property.

(ii) The Mortgagees, shall have the option of determining whether the insurance proceeds shall be applied in reduction of the Mortgagor's Liabilities, whether due or not, or be held by Mortgagees without any allowance of interest and used to reimburse Mortgagor for the cost of rebuilding or restoration of buildings or improvements on the Land. If Mortgagees elect to make the proceeds available for rebuilding or restoration, such proceeds shall be made available in the manner and under conditions that Mortgagees may at that time require, including but not limited to the following:

(a) before Mortgagor commences such alteration, reconstruction, repair or restoration plans and specifications therefor, prepared by a licensed engineer or architect reasonably satisfactory to Mortgagees shall be submitted to Mortgagees for written approval;

(b) an estimate of the cost of the proposed work, certified to by said architect or engineer;

(c) satisfactory evidence of sufficient contractor's comprehensive general liability insurance covering the Mortgaged Property, Mortgagor and Mortgagees, together with such builder's risk insurance as shall reasonably be required by Mortgagees;

(d) a performance and payment bond reasonably satisfactory in form and substance to Mortgagees;

(e) such other security as Mortgagees may require to insure payment for the completion of all such work free and clear of all liens;

(f) Mortgagees, or such other party as shall be reasonably acceptable to Mortgagees (said party hereinafter referred to as the "Depositary") shall hold and disburse the proceeds of the policies in accordance with the terms hereof. If the estimated cost of completion exceeds the amount of insurance proceeds available, Mortgagor shall immediately deposit with the Depositary, in cash, the amount of such estimated excess cost;

(g) Mortgagor shall diligently pursue the alteration, reconstruction, repair or restoration of the Mortgaged Property, or such portion thereof as shall have been damaged, in a good and workmanlike manner using only high quality workmen and material. The buildings and improvements shall be so restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction.

(h) Any surplus insurance proceeds remaining after payment of such cost of alteration, reconstruction, repair or restoration, shall be paid first on a dollar-for-dollar basis, to the Mortgagor to the extent Mortgagor theretofore had deposited its own funds on account of such work with the Depositary, and the balance, if any, to be paid, at the election of Mortgagees, as a payment on account of the Mortgagor's Liabilities, or to Mortgagor.

(C) Mortgagor shall pay immediately when due and payable and prior to the date when the same shall become delinquent, all general and special taxes, special assessment, water charges, sewer services charges and other taxes, fees, liens and charges now or hereafter levied or assessed or charged against the Mortgaged Property or any part thereof or any improvements thereon, including those heretofore due and to furnish Mortgagees with the original or duplicate receipts therefore.

4.2 (i) The Mortgagor immediately upon obtaining knowledge of the institution of any proceeding for the condemnation of the Mortgaged Property, or any portion thereof, shall notify Mortgagees of the pendency thereof. All awards now or hereafter

made by any public or quasi-public authority to or for the benefit of Mortgagor in any way, manner or respect affecting, arising from or relating to the Mortgaged Property, or any portion thereof, by virtue of an exercise of the right of eminent domain by such authority (including, but not limited to, any award for taking title, possession or right of access to a public way, or for any change of grade of streets affecting the Mortgaged Property) hereby are assigned to the Mortgagees as additional security for the payment of Mortgagor's Liabilities (and for such purpose, Mortgagor hereby grants to Mortgagees a security interest therein).

(ii) Mortgagees may at their option, commence, appear in and prosecute in its own name, any action or make any compromise or settlement, in connection with such condemnation, taking under the power of eminent domain or sale in lieu thereof. Mortgagees shall and hereby is authorized, directed and empowered to collect and receive the proceeds of any such awards from the authorities making the same and to give proper receipts therefor (in Mortgagor's name, in Mortgagees name or in both names), and at Mortgagees sole option shall either (a) use the same, or any part thereof, to replace, repair or restore any or all of the Mortgaged Property to a condition satisfactory to Mortgagees consistent with the procedure to be used with respect to the use of insurance proceeds as provided in Paragraph 4.1(B) hereof, with the balance thereof, if any, to be applied to Mortgagor's Liabilities, whether or not matured and without affecting the amount or time of subsequent installment payments required to be made by Mortgagor to Mortgagees under the Notes, or (b) apply the proceeds to the Mortgagor's Liabilities.

(iii) Mortgagor, immediately upon request by Mortgagees, shall make, execute and deliver and/or cause to be made, executed and delivered to and/or for the benefit of Mortgagees any and all assignments and other instruments sufficient to assign, and cause the payment directly to Mortgagees of, all such awards, free and clear of all Encumbrances except those Encumbrances permitted in Paragraph 3.2 above. Notwithstanding any taking 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 all of the Mortgagor's Liabilities, as and when due and payable, until any such award or payment shall have been actually received by Mortgagees, and any reduction in Mortgagor's Liabilities resulting from the application by Mortgagees of such award or payment as herein set forth shall be deemed to take effect only on the date of such receipt. If, prior to the receipt by Mortgagees of such award or payment, the Mortgaged Property shall have been sold on foreclosure of this Mortgage, Mortgagees 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, and of the reasonable attorneys' fees, costs, expenses and disbursements incurred by Mortgagees in connection with the collection of such award or payment.

5. LEASES AND RENTS

5.1 So long as there shall not have occurred an Event of Default under this Mortgage, Mortgagor shall have the right to collect all of the Rents arising from the Leases, or renewals thereof, and shall hold the same, in trust, to be applied first to the payment of all impositions, levies, taxes, assessments and other charges upon the Mortgaged Property, secondly to the cost of the maintenance of insurance policies upon the Mortgaged Property required hereby, thirdly to the maintenance and repairs required hereby and lastly to the payment of Mortgagor's Liabilities then due and payable, before using any part of the Rents for any other purposes.

5.2 At all times, any of the Mortgagees' agents shall have the right to verify the validity, amount or any other matter relating to any or all of the Leases, by mail, telephone, telegraph or otherwise, in the name of Mortgagor, Mortgagees, a nominee of Mortgagees or in any or all of said names.

5.3 Unless Mortgagees notify Mortgagor thereof in writing that it dispenses with any one or more of the following requirements, Mortgagor shall: (i) promptly upon Mortgagor's receipt of learning thereof, inform Mortgagees, in writing, of any assertion of any claims, offsets or counterclaims by any of the obligors of the Leases; (ii) not permit or agree to any material extension, compromise or settlement or make any material change or modification of any kind or nature of or with respect to the Leases or the terms thereof outside the ordinary course of Mortgagor's business; and (iii) promptly upon Mortgagor's receipt or learning thereof, furnish to and inform Mortgagees of all material adverse information relating to or affecting the financial condition of any obligor of the Leases.

5.4 Within fifteen (15) days after demand therefor by Mortgagees, Mortgagor shall deliver to Mortgagees, in form and substance acceptable to Mortgagees, a detailed aged trial balance of all the Leases and such other matters and information relating thereto as Mortgagees may request.

5.5 Upon the occurrence of an Event of Default under this Mortgage:

(i) Immediately upon demand by Mortgagees, Mortgagor shall deliver to Mortgagees the originals of the Leases, with appropriate endorsement and/or other specific evidence of assignment thereof to Mortgagees; which endorsement and/or assignment shall be in form and substance acceptable to Mortgagees.

(ii) Mortgagees, then or at any time or times thereafter, at its sole election, without notice thereof to Mortgagor, may notify any or all of the obligors of the Leases that the Leases have been assigned to Mortgagees and Mortgagees (in its name, in the name of Mortgagor or in both names) may direct said obligors thereafter to make all payments due from them under the Leases directly to Mortgagees.

(iii) Mortgagor, immediately upon demand by Mortgagees, irrevocably shall direct all obligors of the Leases then and thereafter to make all payments then and thereafter due from them under the Leases directly to Mortgagees.

(iv) Mortgagees shall have the right at any time or times thereafter, at its sole election, without notice thereof to Mortgagor, to enforce the terms of the Leases and obtain payment of and collect the Rents, by legal proceedings or otherwise, in the name of Mortgagor, Mortgagees or in both names.

(v) All of the foregoing payments and proceeds received by Mortgagees shall be utilized by Mortgagees, at its sole election and in its sole discretion, for any one or more of the following purposes: (a) to be held by Mortgagees as additional collateral for the payment of Mortgagor's Liabilities; (b) to be applied to Mortgagor's Liabilities' in such manner and fashion and to such portions thereof as Mortgagees, at its sole election, shall determine; (c) to be applied to such obligations of Mortgagor or the Mortgaged Property or the operation or business thereof as Mortgagees, at its sole election, shall determine appropriate or warranted under the then existing circumstances; or (d) to be remitted to Mortgagor.

6. DEFAULT

6.1 The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Mortgage:

(i) Failure of Mortgagor to pay, when due or declared due, any of Mortgagor's Liabilities.

(ii) Failure of Mortgagor, promptly, fully and faithfully to satisfy, perform, discharge, observe and comply with each and every of Mortgagor's Obligations.

(iii) A petition in bankruptcy is filed by or against Mortgagor, the beneficiary of Mortgagor or any general partner or general partners of the beneficiary of Mortgagor (and in the case of an involuntary petition in bankruptcy, such petition is not discharged within 30 days of its filing), or a custodian, receiver or trustee for any of the Mortgaged Property is appointed, or if Mortgagor, the beneficiary of Mortgagor or any general partner of the beneficiary of Mortgagor makes an assignment for the benefit of creditors, or if it is or any of them are adjudged insolvent by any state of federal court of competent jurisdiction, or an attachment or execution is levied against any of the Mortgaged Property.

6.2 Upon the occurrence of an Event of Default, Mortgagees, after notice and demand insofar as required hereby, in its sole discretion and at its sole election, without notice of such election, and without further demand, may do any one or more of the following:

(i) Declare all of Mortgagor's Liabilities immediately due and payable and collect the same at once by foreclosure or otherwise, without notice of broken covenant or condition (and in case of such default and the exercise of such option, Mortgagor's Liabilities shall bear interest, from the date of such default, at the Default Interest Rate as defined in the Notes.

(ii) Enter upon and take immediate possession of the Mortgaged Property, expel and remove any persons, goods or chattels occupying or upon the same, receive all Rents, and issue receipts therefor, manage, control and operate the Mortgaged Property as fully as Mortgagor might do if in possession thereof, including without limitation, the making of all repairs and replacements deemed necessary by Mortgagees and the leasing of the same, or any part thereof, from time to time, and, after deduction of all reasonable attorneys' fees and all costs and expenses incurred in the protection, care, maintenance, management and operation of the Mortgaged Property, apply the remaining net income, if any, to Mortgagor's Liabilities. At the option of Mortgagees, such entry and taking of possession shall be accomplished either by actual entry and possession or by written notice served personally upon or sent by registered mail to the Mortgagor at the address of Mortgagor last appearing on the records of Mortgagees. Mortgagor agrees to surrender possession of the Mortgaged Property to Mortgagees immediately upon the occurrence of an Event of Default. If Mortgagor shall remain in physical possession of the Mortgaged Property, or any part thereof, after any such default, such possession shall be as a tenant of Mortgagees, and Mortgagor agrees to pay to Mortgagees, or to any receiver appointed as provided, below, after such default, a reasonable monthly rental for the Mortgaged Property or

the part thereof so occupied by the Mortgagor, to be applied as provided above in the first sentence of this Sub-Paragraph, and to be paid in advance on the first day of each calendar month, and, in default of so doing, Mortgagor may be dispossessed by the usual summary proceedings. In the event Mortgagor shall so remain in possession of all, or any part of, the Mortgaged Property, said reasonable monthly rental shall be in amounts established by Mortgagees in its sole discretion. This covenant shall be effective irrespective of whether any foreclosure proceeding shall have been instituted and irrespective of any application for, or appointment of, a receiver.

(iii) File one or more suits at law or in equity for the foreclosure of this Mortgage or to collect Mortgagor's Liabilities. In the event of the commencement of any such suit by Mortgagees, Mortgagees shall have the right, either before or after sale, without notice and without requiring bond (notice and bond being hereby waived), without regard to the solvency or insolvency of Mortgagor at the time of application and without regard to the then value of the Mortgaged Property or whether the same is then occupied, to make application for and obtain the appointment of a receiver for the Mortgaged Property. Such receiver shall have the power to collect the Rents during the pendency of such suit and, in case of a sale during the pendency of such suit and, in case of a sale and a deficiency, during the full statutory period of redemption, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect the Rents, and shall have all other powers which may be necessary or usual in such cases for the protection, possession, control, management and operation of the Mortgaged Property. The court before which such suit is pending may from time to time authorize the receiver to apply the net income in his hands in payment of, in whole or in part, Mortgagor's Liabilities. In case of a sale pursuant to foreclosure, the Premises may be sold as one or more parcels.

(iv) Exercise any other remedies or rights permitted or provided under or by the laws or decisions of the State in which the Mortgaged Property is located (including all rights of a secured party under the Uniform Commercial Code of the State of Illinois), accruing to a mortgagee and/or secured party upon a default by a mortgagor and/or debtor.

(v) Sell the Mortgaged Property, either in whole or in parcels, at public auction pursuant to the Statutes of the State of Illinois, and apply the proceeds of such sale in the manner set forth in Section 6.5 hereof.

6.3 In the Event of Default under this Mortgage, there will be added to and included as part of Mortgagor's Liabilities (and allowed in any decree for sale of the Mortgaged Property or in any judgment rendered upon this Mortgage or the Notes) the following: the costs, charges, expenses and attorneys' fees specified in Paragraph 6.4 below; any and all expenditures which may be paid or incurred by or on behalf of Mortgagees for appraisers' fees, documentary and expert evidence, stenographers' charges, publication costs, fees and expenses for examination of title, title searches, guaranty policies, Torrens certificates and similar data and assurances with respect to the title to the Mortgaged Property; all prepayment of like premiums, if any, provided for in the Notes; and all other fees, costs and expenses which Mortgagees deems necessary to prosecute any remedy it has under this Mortgage, or to inform bidders at any sale which may be had pursuant to its rights hereunder, of the true condition of title or of the value of the Mortgaged Property. All such costs, charges, expenses, fees and other expenditures shall be a part of Mortgagor's Liabilities, secured by this Mortgage, payable on demand and shall bear interest at the default interest rate, as set forth in the Notes, from the date of Mortgagees payment thereof until repaid to Mortgagees.

6.4 If foreclosure proceedings are instituted upon this Mortgage, or if Mortgagees shall be a party to, shall intervene, or file any petition, answer, motion or other pleading in any suit or proceeding relating to this Mortgage, the Notes, the Other Agreements, or Mortgagor's Liabilities, or if Mortgagees shall incur or pay any expenses, costs, charges or attorneys' fees by reason of the employment of counsel for advice with respect to this Mortgage, the Notes, the Other Agreements, or Mortgagor's Liabilities, and whether in court proceedings or otherwise, such expenses and all of Mortgagees reasonable attorneys' fees shall be part of Mortgagor's Liabilities, secured by this Mortgage, payable on demand and shall bear interest at the Default Interest Rate as defined in the Notes from the date of Mortgagees payment thereof until repaid to Mortgagees.

6.5 The proceeds of any foreclosure sale of the Mortgaged Property shall be applied and distributed, first, on account of the fees, charges, costs and expenses described in Paragraph 6.3 above, secondly, to the balance of Mortgagor's Liabilities, and thirdly, the surplus, if any, to Mortgagor.

6.6 In the event of the commencement of judicial proceedings to foreclose this Mortgage, Mortgagor, on behalf of itself, its successors and assigns, and each and every person it may legally bind acquiring any interest in or title to the Mortgaged Property subsequent to the date of this Mortgage: (i) does hereby expressly waive any and all rights of appraisement, valuation,

stay, extension and (to the extent permitted by law) redemption from sale under any order or decree of foreclosure of this Mortgage; and (ii) does hereby agree that when sale is had under any decree of foreclosure of this Mortgage, upon confirmation of such sale, the master in chancery or other officer making such sale, or his successor in office, shall be and is authorized immediately to execute and deliver to purchaser at such sale a deed conveying the Mortgaged Property, showing the amount paid therefor, or if purchased by the person in whose favor the order or decree is entered, the amount of his bid therefor.

6.7 Mortgagees shall have the right from time to time to sue for any sums, whether interest, principal or any other sums required to be paid by or for the account of Mortgagor under the terms of this Mortgage or the Notes, or any other of Mortgagor's Liabilities, as the same shall be due, and without prejudice to the right of the Mortgagees thereafter to bring an action of foreclosure, or any other action, for a default or defaults by the Mortgagor existing at the time such earlier action was commenced.

6.8 No right or remedy of Mortgagees hereunder is exclusive of any other right or remedy hereunder or now or hereafter existing at law or in equity, but is cumulative and in addition thereto and the holder of the Notes may recover judgment thereon, issue execution therefor, and resort to every other right or remedy afforded by this Mortgage. No delay in exercising, or omission to exercise, any such right or remedy will impair any such right or remedy or will be construed to be a waiver of any default by Mortgagor hereunder, or acquiescence therein, nor will it affect any subsequent default hereunder by Mortgagor of the same or different nature. Every such right or remedy may be exercised independently or concurrently, and when and so often as may be deemed expedient by Mortgagees. No terms or conditions contained in this Mortgage or the Notes may be waived, altered or changed except as evidenced in writing signed by Mortgagor and Mortgagees.

6.9 Upon occurrence of an Event of Default and following acceleration by Mortgagees of the maturity of Mortgagor's Liabilities as provided herein, a tender of payment thereof by Mortgagor, of any other party, or a payment thereof received upon or on account of a foreclosure of this Mortgage or Mortgagees exercise of any of its other rights or remedies under this Mortgage, the Notes the Other Agreements or under any applicable law or in equity shall be deemed to be a voluntary prepayment made by Mortgagor of the Notes and, therefore, such payment must, to the extent permitted by law, include all accrued interest and additional interest payments required under the Notes.

6.10 (i) Any agreements between Mortgagor and Mortgagees are expressly limited so that, in no event whatsoever, whether by reason of disbursement of the proceeds of the loan evidenced by the Notes or otherwise, shall the amount paid or agreed to be paid to Mortgagees for the use, detention or forbearance of the loan proceeds to be disbursed exceed the highest lawful rate permissible under any law which a court of competent jurisdiction may deem applicable thereto.

(ii) If fulfillment of any provision herein or in the Notes, at the time performance of such provision becomes due, involves exceeding such highest lawful contract rate, then ipso facto, the obligation to fulfill the same shall be reduced to such highest lawful rate. If by any circumstance Mortgage shall ever receive as interest an amount which would exceed such highest lawful rate, the amount which may be deemed excessive interest shall be applied to the principal of Mortgagor's Liabilities and not to interest.

6.11 Any failure of Mortgagees to insist upon the strict performance by Mortgagor of any of the terms and provisions of this Mortgage, the Other Agreements or the Notes shall not be deemed to be a waiver of any of the terms and provisions thereof, and Mortgagees, notwithstanding any such failure, shall have the right at any time to times thereafter to insist upon the strict performance by Mortgagor of any and all of the terms and provisions thereof to be performed by Mortgagor. Neither Mortgagor, nor any other person now or hereafter obligated for the payment of the whole or any part of Mortgagor's Liabilities, shall be relieved of such obligation by reason of the sale, conveyance or other transfer of the Mortgaged Property or the failure of Mortgagees to comply with any request of Mortgagor, or of any other person, to take action to foreclose this Mortgage or otherwise enforce any of the provisions of this Mortgage, the Other Agreements or the Notes, or by reason of the release, regardless of consideration, of the whole or any part of the security held for Mortgagor's Liabilities, or by reason of any agreement or stipulation between any subsequent owner or owners of the Mortgaged Property and Mortgagees extending the time of payment or modifying the terms of the Notes, the Other Agreements or this Mortgage without first having obtained the consent of Mortgagor or such other person, and, in the latter event, Mortgagor, and all such other persons, shall continue liable on account of Mortgagor's Liabilities and to make such payments according to the terms of any such agreement, extension or modification unless expressly released and discharged in writing by Mortgagees. Mortgagees, without notice, may release, regardless of consideration, any part of the security held for Mortgagor's Liabilities, without, as to the remainder of the security therefor, in any way impairing or affecting the lien of

this Mortgage or the priority of such lien over any subordinate lien. Mortgagees may resort for the payment of Mortgagor's Liabilities to any other security therefor held by the Mortgagees in such order and manner as Mortgagees may elect.

6.12 Upon and after the occurrence of an Event of Default under this Mortgage, Mortgagees shall not be obligated to accept any cure or attempted cure by Mortgagor, however, if Mortgagees accepts such cure, Mortgagees shall not exercise its rights or remedies under Paragraph 6 or Paragraph 5 of this Mortgage unless a separate or additional Event of Default then exists hereunder.

7. MISCELLANEOUS

7.1 That in connection with the Other Agreements Mortgagor hereby covenants and agrees as follows:

(i) That it (or in the event the Mortgagor is a trust, the beneficiary of said trust) will comply (or will cause compliance) with each and all of the covenants of the Other Agreements;

(ii) That the provisions set forth in the Other Agreements are incorporated herein by express reference; with the further proviso that a default by any party to the Other Agreements other than Mortgagees in any of the terms therein contained, after due notice given as therein required, shall be and constitute a default under this Mortgage; and in consequence thereof, the Mortgagees may declare the entire debt to be immediately due and payable, or pursue any right, remedy or recourse reserved herein (or in the Other Agreements) for default or condition broken; and provided further that this Mortgage is to be superceded by the Loan Agreement should any of the terms and conditions of this Mortgage conflict in any way or be inconsistent with any of the terms and conditions of the Agreement;

7.2 Mortgagees shall release this Mortgage by proper instrument upon payment and discharge of all of Mortgagor's Liabilities, including all prepayment or like premiums, if any, provided for in the Notes and payment of all costs, expenses and fees, including reasonable attorneys' fees, incurred by Mortgagees for the preparation, execution and/or recording of such release.

7.3 This Mortgage is intended only as security for the obligations herein set forth. Notwithstanding anything to the contrary contained in this Mortgage, the Mortgagees shall have no obligation or liability under, or with respect to, or arising out of this Mortgage and shall not be required or obligated in any manner to perform or fulfill any of the obligations of the Mortgagor hereunder.

7.4 Every provision for notice, demand or request required in this Mortgage, the Notes or the Other Agreements or by applicable law shall be deemed fulfilled by written notice, demand or request personally served on (with proof of service endorsed thereon, or mailed to, as hereinafter provided) the party entitled thereto or on its successors or assigns. If mailed, such notice, demand or request shall be made certified or registered mail, return receipt requested, and deposited in any post office station or letter-box, enclosed in a postage paid envelope addressed to such party at its address set forth below or to such other address as either party hereto shall direct by like written notice and shall be deemed to have been made on the second (2nd) day following posting as aforesaid. For the purposes herein, notices shall be sent to Mortgagor and Mortgagees as follows:

To Mortgagee:	c/o 11019 McCormick Road Suite 400 Hunt Valley, MD 21031 Attn: William J. Krystopowicz with copies (except as to routine notices) to: Brian J. Siegel, Esquire Duane Morris & Heckscher One Franklin Plaza Philadelphia, Pennsylvania 19102; and
SouthTrust:	Ms. Sarah J. Sumner SouthTrust Bank of Alabama, National Association 420 N. 20th Street Brimingham, Alabama 35203
The Agent and Fidelity:	Fidelity Bank, National Association Broad and Walnut streets Philadelphia, Pennsylvania 19109 Attention: Mr. Douglas D. Dimmig with a copy (except as to routine notices) to:

Charles C. Freyer, Esquire
Saul, Ewing, Remick & Saul
3800 Centre Square West
1500 Market Street
Philadelphia, Pennsylvania
19102

Sovran

Ms. Elizabeth L. Knox
Sovran Bank/Central South
1 Commerce Place
Nashville, TN 37219

First Bank

Mr. Joseph W. Glenn
First Bank National
Association
First Bank Place
Minneapolis, MN 55480

7.6 All the covenants contained in this Mortgage will run with the land. Time is of the essence of this Mortgage an all provisions herein relating thereto shall be strictly construed.

7.7 This Mortgage, and all the provisions hereof, will be binding upon and inure to the benefit of the successors and assigns of the Mortgagor and Mortgagees.

7.8 This Mortgage was executed and delivered in, and shall be governed as to the validity, interpretation, construction, effect and in all other respects by the laws and decisions of the State of Illinois.

7.9 Any provision of this Mortgage which is unenforceable in any State in which this Mortgage may be filed or recorded or is invalid or contrary to the law of such state, or the inclusion of which would affect the validity, legality or enforcement of this Mortgage, shall be of no effect, and in such case all the remaining terms and provisions of this Mortgage shall subsist and be fully effective according to the tenor of this Mortgage, the same as though no such invalid portion had ever been included herein.

7.10 It being the desire and intention of the parties hereto that this Mortgage and the lien hereof do not merge in fee simple title to the premises, it is hereby understood and agreed that should Mortgagees acquire an additional or other interests in and to the premises or the ownership thereof, then, unless a contrary intent is manifested by Mortgagees, as evidenced by an express statement to the effect in an appropriate document duly recorded,

this Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

IN WITNESS WHEREOF, the parties haveto have caused this Mortgage to be executed and delivered by their proper and duly authorized officers in Chicago, Illinois, as of the date first above written.

INTEGRATED HEALTH SERVICES OF BRENTWOOD, INC.

By: _____
Its: _____

ATTEST:

_____
Its: _____

COOK COUNTY, ILLINOIS
FILED FOR RECORD

1988 JUN 21 AM 11: 35

88030365

[redacted]

CHICAGO TITLE AND TRUST COMPANY
171 WEST WASHINGTON
CHICAGO, ILLINOIS 60602

D-4

ATTN: _____

1601518

88030365

STATE OF ILLINOIS)
) ss.
COUNTY OF C O O K)

I, Rosemary Suchoe, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that they, as Vice President and Sec, as the Secretary of Integrated Health Services of Brentwood, Inc. who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice President and Sec. Secretary of said Company, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their free and voluntary act and as the free and voluntary act of said Company for uses and purposes set forth herein; and said _____ Secretary did then and there acknowledge that he, as custodian of the corporate seal of said Company did affix the corporate seal of said Company to said instrument as his free and voluntary act and as the free and voluntary act of said Company for the uses and purposes set forth therein.

January 20, 1988.

Rosemary Suchoe
Notary Public

My Commission expires:

MY COMMISSION EXPIRES JANUARY 29, 1991

88030365

EXHIBIT "A"

Legal Description

PARCEL 1

THE WEST 1/2 OF THE EAST 1/2 OF THE SOUTH EAST 1/4 OF THE SOUTH 1/2 OF THE WEST 1/2 OF THE SOUTH WEST 1/4 (EXCEPT THE SOUTH 50 FEET, BEING 87TH STREET AND (EXCEPT THE WEST 18.00 FEET OF THE NORTH 361.20 FEET OF THE SOUTH 411.20 FEET THEREOF AND EXCEPT THE NORTH 234.32 FEET THEREOF) OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN AND ALSO LOT 7 IN MICHAEL WOLFEL'S SUBDIVISION OF THE EAST 1/2 OF THE EAST 1/2 OF THE SOUTH EAST 1/4 OF THE SOUTH 1/2 OF THE WEST 1/2 OF THE SOUTH WEST 1/4 OF SAID SECTION 33; AND ALSO LOT 2 IN KIRBY'S FINAL ADDITION, BEING A SUBDIVISION OF THE SOUTH 9.00 FEET OF THE NORTH 133.32 FEET AND ALSO THE SOUTH 101.00 FEET OF THE NORTH 234.32 FEET OF THE WEST 1/2 (EXCEPT THE WEST 33.00 FEET THEREOF) OF THE EAST 1/2 OF THE SOUTH EAST 1/4 OF THE SOUTH 1/2 OF THE WEST 1/2 OF THE SOUTH WEST 1/4 OF SAID SECTION 33; ALL IN COOK COUNTY, ILLINOIS

PARCEL 2

LOT 4 IN BRENTWOOD'S SUBDIVISION OF THE SOUTH 293.52 FEET OF THE NORTH 326.52 FEET OF THE EAST 1/2 (EXCEPT THE EAST 33 FEET THEREOF) OF THE WEST 1/2 OF THE SOUTH EAST 1/4 OF THE SOUTH WEST 1/4 OF THE SOUTH WEST 1/4 OF SECTION 33, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN 19-33-313-008-0000 Part.
19-33-313-010-0000 Part.
19-33-313-014-0000 Part.
19-33-323-010-0000 Part.

5400 W. 87th St.
Burbank, IL
60459

88030365