JUNIOR MORTGAGE, ASSIGNMENT OF LEASES
AND RENTS, AND SECURITY AGREEMENT

THIS JUNIOR MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (herein called the "Mortgage") is made as of the 23rd day of September, 1987, between American National Bank and Trust Company of Chicago, not personally, but as trustee under Trust Agreement dated August 20, 1986 and known as Trust No. 068972-01 (herein called the "Mortgagor"), the sole beneficiary of which is 555 West Jackson Partnership, an Illinois limited partnership (herein called the "Beneficiary"), and the CITY OF CHICAGO, a municipal corporation, having its principal office at City Hall, 121 North LaSalle Street, Chicago, Illinois 60602 (herein called the "Mortgagee");

88100035

WHEREAS, Mortgagor has executed and delivered to Mortgagee a Note of even date herewith in the principal amount of Three Hundred Twenty-Five Thousand Dollars ($325,000), payable to Mortgagee (herein called the "Note"), bearing interest at the rate or rates specified therein and due in installments and in any event on September 30, 1998 and in the form attached hereto as Exhibit A and made a part hereof; and

WHEREAS, Mortgagee is desirous of securing the payment of the Note together with interest thereon in accordance with the terms of the Note, and any additional indebtedness accruing to Mortgagee on account of any future payments, advances or expenditures made by Mortgagee pursuant to the Note, this Mortgage or that certain Urban Development Action Grant Redevelopment Agreement of even date herewith among Mortgagor, Beneficiary and Mortgagee (herein called the "Redevelopment Agreement").

NOW, THEREFORE, to secure the performance and observance by Mortgagor of all the terms, covenants and conditions in the Note and in this Mortgage and the Redevelopment Agreement (whether or not Mortgagor is personally liable for such payment, performance and observance) and in consideration of the premises and Ten dollars ($10) in hand paid by Mortgagee to Mortgagor and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Mortgagor has executed and delivered this Mortgage and does hereby GRANT, CONVEY, ASSIGN, RELEASE, REMISE, WARRANT AND MORTGAGE and CONFIRM AND GRANT A SECURITY INTEREST IN unto Mortgagee and its successors and assigns forever, all of the following described property (which is herein sometimes referred to as the "Property"):

(A) All those certain tracts, pieces or parcels of land and the easements, if any, located at the real estate commonly known as 555 West Jackson Boulevard, Chicago, Illinois, and more particularly described in Exhibit "B" attached hereto and made a part hereof (herein sometimes called the "Real Estate"), together with the property and rights described below;

(B) All structures, improvements, tenements, buildings, easements, fixtures, privileges, reservations, allowances, hereditaments and appurtenances of every kind or nature whatsoever now or hereafter belonging or pertaining to the Real Estate; any and all rights and estates in reversion or remainder; all rights of Mortgagor in or to adjacent sidewalks, alleys, streets and vaults; and any and all rights and interests of every name and nature now or hereafter owned by Mortgagor, forming a part of and/or used in connection with the Real Estate and/or the operation and convenience of the buildings and improvements located thereon, including (by way of enumeration but without limitation) all furniture, furnishings and equipment used or useful in the operation of the Real Estate or improvements thereon or furnished by Mortgagor to tenants thereof; all building materials located at the Real Estate and intended to be incorporated in improvements now or hereafter to be constructed thereon, whether or not incorporated therein; all machines, machinery, fixtures, apparatus, equipment or articles used to supply heating, gas, electricity, air conditioning, water, light, power, sprinkler protection, waste removal, refrigeration and ventilation, and all floor coverings, screens, storm windows, blinds, awnings, stoves, refrigerators, dishwashers, disposal units, range hoods and blowers; in each case now or hereafter placed in, on or at the Real Estate (it being understood that the enumeration of any specific articles of property shall in no wise exclude or be held to exclude any items of property not specifically enumerated), but not including tenants' personal property and trade fixtures;

(C) The rents, income, receipts, revenues, issues and profits of and from the Property; and all of the estate, right, title, interest, property, possession, claim and demand at law, as well as in equity of Mortgagor, in and to the same, including, without limitation, all condemnation proceeds and insurance proceeds;

AND all of the land, estate, property and rights hereinabove described and hereby conveyed and intended so to be, whether real, personal or mixed and whether or not affixed or annexed to the Real Estate are intended to be as a unit and are hereby understood, agreed and declared to form a part and parcel of the Real Estate and to be appropriated to the use of the real estate and for the purposes hereof shall be deemed to be real estate conveyed and mortgaged hereby.

TO HAVE AND TO HOLD the Property and all parts thereof and all rents, issues and profits unto Mortgagee, its successors and assigns, to its own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein;

WITHOUT limitation of the foregoing, the Mortgagor hereby further grants unto the Mortgagee, pursuant to the provisions of the Uniform Commercial Code of the State of Illinois, a security interest in all of the above-described property, which are or are to become fixtures or are deemed to be personal property.

THIS MORTGAGE IS GIVEN TO SECURE: (a) payment of the indebtedness secured hereby (herein called "Indebtedness Secured Hereby"), and (b) performance of each and every of the covenants, conditions and agreements contained in this Mortgage, in the Note, in the Redevelopment Agreement, and in any other agreement, document or instrument to which reference is expressly made in this Mortgage or which secures the Note.

AND the Mortgagor covenants and agrees with the Mortgagee that:

ARTICLE I

1.01 Taxes and Assessments

(a) Taxes. Mortgagor will pay when due and before any penalty attaches, all general and special taxes, assessments, water charges, sewer charges, and other fees, taxes, charges and assessments of every kind and nature whatsoever (all herein generally called "Taxes"), whether or not assessed against the Mortgagor, if applicable to the Property or any interest therein, or the indebtedness hereby secured, or any obligation or agreement secured hereby; and Mortgagor will, upon written request, furnish to Mortgagee, duplicate receipts therefor. To prevent default thereunder, Mortgagor will pay in full under protest in the manner provided by statute, any Taxes which Mortgagor may desire to contest; provided, however, that if deferment of payment of any such Taxes is required to conduct any contest or review, Mortgagor shall deposit the full amount thereof, together with an amount equal to the estimated interest and penalties thereon during the period of contest, with the Mortgagee. In any event, Mortgagor shall (and if Mortgagor shall fail so to do, Mortgagee may, but shall not be required to, and for the purpose may use the monies deposited as aforesaid) pay all Taxes, notwithstanding such contest, if in the opinion of the Mortgagee, the Property shall be in jeopardy or in danger of being forfeited or foreclosed. In the event that any law or court decree has the effect of deducting any lien thereon from the value of land for the purpose of taxation, or imposing upon Mortgagee the payment of the whole or any part of the Taxes or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the interest of Mortgagee in the Property or the manner of collection of Taxes, so as to affect this Mortgage or the indebtedness hereby secured or the holder thereof, then, and in any such event, Mortgagor upon demand by Mortgagee, will pay such Taxes or liens, or reimburse Mortgagee therefor. If any such law or court decree makes it illegal for Mortgagor to pay such amounts on behalf of Mortgagee, then Mortgagee may declare all amounts secured by this Mortgage

immediately due and payable upon sixty (60) days prior notice to Mortgagor. Nothing in this Section 1.01 contained shall require Mortgagor to pay any income, franchise or excise tax imposed upon Mortgagee, excepting only such which may be levied against such income expressly as and for a specific substitute for Taxes on the Property, and then only in an amount computed as if Mortgagee derived no income from any source other than its interest hereunder.

(b) No Liens. Mortgagor will not suffer or permit any mechanic's, laborer's, materialmen's, or statutory lien to remain outstanding upon any of the Property. Notwithstanding anything contained herein to the contrary, Mortgagor may, in good faith and with reasonable diligence contest the validity or amount of any mechanic's, laborer's, materialmen's or statutory liens or claims for liens upon the Property (collectively "Contested Liens"), provided that:

(i) such contest shall have the effect of preventing the collection of the Contested Liens and the sale or forfeiture of the Property or any part thereof or interest therein to satisfy the same;

(ii) Mortgagor has notified Mortgagee in writing of the intention of Mortgagor to contest the same before any Contested Liens have been increased by any interest, penalties, or costs;

(iii) Mortgagor has obtained a title insurance endorsement over such Contested Liens insuring the Mortgagee against loss or damage by reason of the existence of such Contested Liens or Mortgagor has deposited with Mortgagee, at such place as Mortgagee may from time to time in writing designate, a sum of money or other security acceptable to Mortgagee that, when added to the monies or other security, if any, deposited with Mortgagee as required hereinabove, is sufficient in Mortgagee's judgment to pay in full such Contested Liens and all penalties and interest that might become due thereon, and shall keep on deposit an amount sufficient, in Mortgagee's judgment, to pay in full such Contested Liens, increasing such amount to cover additional penalties and interest whenever, in Mortgagee's judgment, such increase is advisable; and

(iv) Mortgagor shall diligently prosecute the contest of such Contested Liens by appropriate legal proceedings and shall permit Mortgagee to be represented in any such contest and shall pay all expenses incurred by Mortgagee in so doing, including fees and expenses of Mortgagee's counsel (all of which shall constitute so much additional Indebtedness Secured Hereby (as hereinbefore defined)) bearing interest at the Default

Interest Rate (as defined in the Note) until paid, and payable upon demand.

In the event Mortgagor fails to prosecute such contest with reasonable diligence or fails to maintain sufficient funds on deposit as hereinabove provided, Mortgagee may, at its option, apply the monies and liquidate any securities deposited with Mortgagee, in payment of, or on account of, such Contested Liens, or any portion thereof then unpaid, including all penalties and interest thereon. If the amount of the money and any such security so deposited is insufficient for the payment in full of such Contested Liens, together with all penalties and interest thereon, Mortgagor shall forthwith, upon demand, either deposit with Mortgagee a sum that, when added to such funds then on deposit, is sufficient to make such payment in full, or, if Mortgagee has applied funds on deposit on account of such Contested Liens, restore such deposit to an amount satisfactory to Mortgagee. Mortgagee may, but shall not be required to, pay such deficiency in said deposit for Contested Liens and interest and penalties thereon and such other sums as may be necessary in the judgment of the Mortgagee to obtain the release and discharge of such Contested Liens; and any amount expended by Mortgagee in so doing shall be so much additional Indebtedness Secured Hereby (as hereinbefore defined) bearing interest at the Default Interest Rate (as defined in the Note) until paid. Provided that there is not an Event of Default (as hereinafter defined) hereunder, Mortgagee shall, if so requested in writing by Mortgagor, after final disposition of such contest and upon Mortgagor's delivery to Mortgagee of an official bill of such Contested Liens, apply the money so deposited in full payment of such Contested Liens or that part thereof then unpaid, together with all penalties and interest thereon.

1.02 Insurance

(a) Insurance Coverage. Mortgagor will insure and keep insured all of the buildings and improvements now or hereafter constructed or erected upon the Property and each and every part and parcel thereof, against such perils and hazards as Mortgagee may from time to time require, and in any event including:

(i) Insurance against loss by fire, risks covered by the so-called extended coverage endorsement, and other risks as Mortgagee may reasonably require, in amounts equal to the full replacement value of the Property;

(ii) Public liability insurance against bodily injury and property damage with such limits as Mortgagee may reasonably require;

(iii) Steam boiler, machinery and other insurance of the types and in amounts as Mortgagee may reasonably require but in any event not less than customarily carried by persons owning or operating like properties.

All policies of insurance to be maintained and provided as required by this Section 1.02 shall be in forms, companies and amounts reasonably satisfactory to Mortgagee and all policies of casualty insurance shall have attached thereto mortgage clauses or endorsements in favor of and with loss payable to and in form reasonably satisfactory to Mortgagee. Mortgagor will deliver all policies, including additional and renewal policies to Mortgagee and, in case of insurance policies about to expire, Mortgagor shall deliver renewal policies not less than thirty (30) days prior to the respective dates of expiration.

1.03 Additional Covenants and Agreement.

(a) Care of the Property. Mortgagor will preserve and maintain or cause to be preserved and maintained, the Property in good condition and repair, will not commit or suffer any waste thereof, and will keep the same in a clean, orderly and attractive condition. Mortgagor will not do or suffer to be done anything which will increase the risk of fire or other hazard to the Property or any part thereof. Mortgagor will promptly comply with all notices received by any insurer of the Property.

(b) Notice of Damages. If the Property or any part thereof is damaged by fire or any other casualty, Mortgagor will immediately give written notice of the same to Mortgagee.

(c) Right to Inspect. Mortgagee or its representatives shall have the right, subject to the rights of tenants, to inspect the Property at all reasonable times upon twenty-four (24) hours prior written notice to Mortgagor, and access thereto shall be permitted for that purpose.

(d) Compliance with Laws, Etc. Mortgagor will promptly comply, and cause the Property and the occupants or users thereof to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the Property or any part thereof or the use of occupancy thereof and with all instruments and documents of record or otherwise affecting the Property, or any part thereof or the use or occupancy thereof.

(e) Requirement to Restore Property. If all or any part of the Property (whether now or hereafter existing)

shall be damaged by fire or other casualty, Mortgagor will promptly repair, restore or rebuild the Property to the equivalent of its condition prior to the casualty, whether or not any insurance proceeds are available to Mortgagor or sufficient for that purpose.

(f) Completion of Rehabilitation. Mortgagor shall complete within a reasonable time, any building or renovation of any building now or at anytime in the process of construction upon the Property.

(g) No Alterations. Mortgagor shall make no material alterations to the Property, except as required by law or municipal ordinance without the prior approval of Mortgagee, which approval shall not be unreasonably withheld.

(h) Payment of Operating Expenses. Mortgagor shall pay all costs and expenses of operating and maintaining the Property.

(i) Payment of Liens. Mortgagor shall pay when due any indebtedness which may be secured by a lien, charge or encumbrance on the Property superior to the lien hereof, and upon request, exhibit satisfactory evidence of the discharge of such prior lien, charge or encumbrance to Mortgagee.

(j) Financial Statements. Mortgagor shall submit to Mortgagee within 90 days of the close of each calendar year during the term of this Mortgage, financial statements prepared by a certified public accountant reasonably acceptable to Mortgagee, in accordance with generally accepted accounting principles, consistently applied, certifying the following with respect to the Project:

(i) gross income and receipts;

(ii) operating expenses;

(iii) Net Annual Cash Flow (as defined in the Note);

(iv) Developer's Equity (as defined in the Redevelopment Agreement);

(v) Net Syndication Proceeds (as defined in the Note);

(vi) The amount of Cash Flow Interest (as defined in the Note) due the City;

(vii) Excess Syndication Proceeds (as defined in the Note), if any;

(viii) the amount, if any, of Syndication Interest (as defined in the Note) due the City;

(ix) the prepayment premium due on loan prepayment, if any; and

(x) any other Additional Interest (as defined in the Note).

1.04 Subordination

(a) Senior Financing. This Mortgage is subject and subordinate in all respects to that certain Mortgage dated September 15, 1986 between Mortgagor and First Interstate Mortgage Company of Illinois securing an indebtedness in the amount of $2,800,000, plus additional amounts actually advanced upon a failure of Mortgagor to perform its obligations thereunder ("Senior Financing"), and recorded in the office of the Recorder of Deeds of Cook County, Illinois as Document No. 86419702, as amended by that certain Note and Modification Agreement dated September 12, 1987 and recorded in the aforesaid office as Document No. _____.

(b) Performance Under Senior Financing. Mortgagor will at all times fully perform and comply with all agreements, covenants, terms and conditions imposed on or assumed by it as Lessor under all leases affecting the Property, and under the Senior Financing. If Mortgagor shall fail to do so, Mortgagee may, but shall not be obligated to, take any action Mortgagee deems necessary or desirable to prevent or to cure any default by Mortgagor in the performance of or compliance with any of Mortgagor's covenants or obligations of the leases or the Senior Financing. On receipt by Mortgagee from any lessee or the holder of the Senior Financing of any written notice of default by Mortgagor thereunder, Mortgagee may rely thereon and take any action as aforesaid to cure such default even though the existence of such default or the nature thereof is questioned or denied by Mortgagor or by any party on behalf of Mortgagor. Mortgagor hereby expressly grants to Mortgagee, and agrees that Mortgagee shall have the absolute and immediate right to enter in and on the Property or any part thereof to such extent and as often as Mortgagee, in its sole discretion, deems necessary or desirable in order to prevent or to cure any such default by Mortgagor. Mortgagee may pay and expend such sums of money as Mortgagee, in its sole discretion, deems necessary for any such purpose, and Mortgagor hereby agrees to pay to Mortgagee, together with interest thereon from the date of each such payment at the Default Interest Rate. All sums so paid and expended by Mortgagee and the interest thereon shall be additional Indebtedness Secured Hereby.

(c) Notices to Mortgagee. Mortgagor shall immediately give Mortgagee copies of all notices received by Mortgagee from the holder of the Senior Financing.

(d) No Amendment of Senior Financing. Mortgagor shall not amend or modify the terms of the Senior Financing without Mortgagee's prior written consent.

(e) Assignment of Surplus Proceeds. Mortgagor hereby assigns to Mortgagee the surplus proceeds of any foreclosure sale initiated by the holder of the Senior Financing which are in excess of the amount necessary to satisfy the Senior Financing.

(f) Limitation on Amount of Senior Financing. Any provision in this Mortgage contained to the contrary notwithstanding, if that at any time hereafter the aggregate amount of the principal disbursed under the Senior Financing exceeds Two Million Eight Hundred Thousand Dollars ($2,800,000) plus additional amounts actually advanced by the holder of the Senior Financing upon a failure of Mortgagor to perform its obligations under the Senior Financing (herein referred to as "excess amount"), at the option of Mortgagee and fifteen (15) days after notice to Mortgagor, the entire principal amount secured hereby and all accrued and unpaid interest thereon, shall become due and payable, unless within said fifteen (15) day period Mortgagor shall pay over to Mortgagee the excess amount, in which event the excess amount thus paid will be applied against the unpaid principal indebtedness evidenced by the Note and the option of Mortgagee (as hereinabove set forth) to accelerate same, shall be and become null and void.

1.05 Assignment of Leases and Rents

As further security for the indebtedness hereby secured, Mortgagor hereby assigns and transfers to Mortgagee all leases and tenancies of the Property, or any part thereof, together with all the rents, issues and profits now due and which may hereafter become due under or by virtue of any lease, tenancy or agreement now or hereafter in existence, whether written or verbal, it being the intention hereby to establish an absolute transfer and assignment of all the leases, tenancies and agreements affecting the Property, and all the avails thereof, to Mortgagee, and Mortgagor does hereby appoint irrevocably Mortgagee its true and lawful attorney in its name and stead (with or without taking possession of the Property), to rent, lease or let all or any portion of the Property to any party or parties at such rental and upon such terms, in its discretion as it may determine, and to collect all said avails, rents, issues and profits arising from or accruing at any time hereafter, and all now due, or that may hereafter become due under each and all of the leases, tenancies and agreements, written or verbal, provided, however, Mortgagee shall not exercise any of the rights and powers conferred upon it herein until and unless one or more of the Events of Default set forth in Section 2.01 hereof shall have occurred. Mortgagor 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 Property. Nothing herein contained shall be deemed to obligate Mortgagee to perform or discharge any obligation, duty or liability of lessor under any lease of the Property, and Mortgagor shall and does hereby indemnify and hold Mortgagee harmless from any and all liability, loss or damage which Mortgagee may or might incur under any lease, tenancy or agreement affecting the Property by reason of the Assignment; and any and all such liability, loss or damage incurred by Mortgagee, together with all costs and expenses, including reasonable attorneys' fees, incurred by Mortgagee in the defense of any claims or demands therefor (whether successful or not), shall be so much additional indebtedness hereby secured, and Mortgagor shall reimburse Mortgagee therefor on demand, together with interest at the Default Interest Rate (as defined in the Note) from the date of demand to the date of payment. Notwithstanding anything herein to the contrary, it is mutually agreed between Mortgagor and Mortgagee that so long as there shall exist no default by Mortgagor in the payment of the Note or in the performance of Mortgagor's obligations hereunder, Mortgagor shall have the right to collect all rents, security deposits, income and profits from the Property and to retain, use and enjoy the same.

1.06 Payment of Indebtedness.

Mortgagor will duly and promptly pay each and every installment of the principal of and interest (including Additional Interest (as defined in the Note)) and premium, if any, on the Note, and all other indebtedness hereby secured, as the same become due, and will duly perform and observe all of the covenants, agreements and provisions herein or in the Note and Redevelopment Agreement provided on the part of Mortgagor or Beneficiary to be performed and observed.

1.07 Proceeds of Insurance.

(a) Adjustment of Loss. In case of loss covered by policies of insurance, Mortgagee (or, after entry of decree of foreclosure, the purchaser at the foreclosure sale or decree creditor, as the case may be) is hereby authorized at its option either (i) to settle and adjust any claim under such policies without the consent of Mortgagor, or (ii) allow Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss; provided, that the Mortgagor may itself adjust losses which, in the aggregate do not exceed Twenty-Five Thousand Dollars ($25,000), and provided further that in any case Mortgagee shall, and is hereby authorized to, collect and receipt for any such insurance proceeds; and the expenses incurred by Mortgagee in the adjustment and collection of insurance proceeds shall be so much additional indebtedness hereby

secured, and shall be reimbursed to Mortgagee upon demand.

(b) Application of Insurance Proceeds. In the event of any insured damage to or destruction of the Property or any part thereof (herein called an "Insured Casualty"), and:

(i) If, in the reasonable judgment of Mortgagee, the Property can be restored to an economic unit not less valuable than the same was prior to the Insured Casualty, and adequately securing the outstanding balance of the indebtedness hereby secured, or

(ii) If, under the terms of any lease or leases which may be prior to this Mortgage or the Senior Financing, Mortgagor is obligated to restore, repair, replace or rebuild the Property or any part thereof so damaged or destroyed, and such Insured Casualty does not result in cancellation or termination of such lease or leases and the insurers do not deny liability to the insureds, then, if no Event of Default (as herein defined) shall have occurred and be then continuing and Mortgagor shall not be in default hereunder, the proceeds of insurance shall be applied to reimburse Mortgagor for the cost of restoring, repairing, replacing or rebuilding the Property or part thereof subject to Insured Casualty, as required in Section 1.03 hereof; and Mortgagor hereby covenants and agrees forthwith to commence and to diligently prosecute such restoring, repairing, replacing or rebuilding; provided, always, that Mortgagor shall pay all costs of such restoring, repairing, replacing or rebuilding in excess of the proceeds of insurance.

(iii) Except as provided for in this Subsection (b) of this Section 1.07, Mortgagee may apply the proceeds of insurance received as a result of any Insured Casualty upon the indebtedness hereby secured, in such order or manner as Mortgagee may elect.

(c) Rebuild to Equivalent. If the proceeds of insurance, if any, are made available to Mortgagor for the restoring, repairing, replacing or rebuilding of the Property, Mortgagor hereby covenants to restore, repair, replace or rebuild the same, to be of at least equal value, and of substantially the same character as prior to such damage or destruction, all to be effected in accordance with plans and specifications to be first

submitted to and approved by Mortgagee, which approval shall not be unreasonably withheld.

(d) The rights of the Mortgagee under section 1.07 are subordinate to the rights of the First Mortgagee, First Interstate Mortgage Company of Illinois.

1.08 Disbursement of Insurance Proceeds.

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

1.09 Condmenation.

Mortgagor hereby assigns, transfers and sets over unto Mortgagee the entire proceeds of any award or claim for damages for the Property or any part thereof taken or damaged under the power of eminent domain, or by condemnation including damages to grade. Mortgagee may elect to apply the proceeds of the award upon or in reduction of the indebtedness hereby secured then most remotely to be paid, whether due or not, or to require Mortgagor to restore or rebuild the Property, in which event, the proceeds shall be held by Mortgagee and used to reimburse Mortgagor for the cost of such rebuilding or restoring. If Mortgagor is obligated to restore or replace the damaged or destroyed buildings or improvements upon the Property under the terms of any lease or leases which are or may be prior to the lien of this Mortgage or the

terms of the Senior Financing, and if such taking does not result in cancellation of such lease or leases, the award shall be used to reimburse Mortgagor for the cost of restoration and rebuilding; provided always, that Mortgagor is not in default hereunder and that no Event of Default has occurred and is then continuing. If Mortgagor is required or permitted to rebuild or restore the Property as aforesaid, such rebuilding or restoration shall be effected solely in accordance with plans and specifications previously submitted to and approved by Mortgagee, and the proceeds of the award shall be paid out in the same manner as is provided in Section 1.08 hereof for the payment of insurance proceeds towards the cost of rebuilding or restoration. If the amount of such award is insufficient to cover the cost of rebuilding or restoration, Mortgagor shall pay such costs in excess of the award, before being entitled to reimbursement out of the award. Any surplus which may remain out of the award after payment of such costs of rebuilding or restoration shall, at the option of Mortgagee, be applied on account of the indebtedness hereby secured, then most remotely to be paid, or be paid to any other party entitled thereto. No interest shall be allowed to Mortgagor on account of any award held by Mortgagee. The rights of the Mortgagee under section 1.09 are subordinate to the rights of the First Mortgagee, First Interstate Mortgage Company of Illinois.

1.10 Restrictions on Transfer.

It shall be an immediate Event of Default and default hereunder if, without the prior written consent of the Mortgagee, which consent shall not be unreasonably withheld, any of the following shall occur:

(a) If Mortgagor shall create, effect or consent to or shall suffer or permit any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of the Property or any part thereof, or interest therein, excepting only sales or other dispositions of Collateral (herein called "Obsolete Collateral") no longer useful in connection with the operation of the Property, provided that prior to the sale or other disposition thereof, such Obsolete Collateral has been replaced by Collateral, subject to the second lien hereof, of at lease equal value and utility;

(b) If Mortgagor is a trustee, then if any beneficiary of Mortgagor shall create, effect or consent to, or shall suffer or permit, any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of such beneficiary's beneficial interest in Mortgagor;

(c) If Mortgagor is a corporation, or if any corporation is a beneficiary of a trustee mortgagor, then if any shareholder of such corporation shall create, effect or consent to or shall suffer or permit any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of any such shareholder's shares in such corporation; provided, that if such corporation is a corporation whose stock is publicly traded on a national securities exchange or on the "Over the Counter" market, then this Section 1.10(c) shall be inapplicable.

(d) If Mortgagor is a partnership or joint venture, of if any beneficiary of a trustee mortgagor is a partnership or joint venture, then if any partner or joint venturer in such partnership or joint venture shall create, effect or consent to or shall suffer or permit any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of any part of the partnership interest or joint venture interest, as the case may be, of such partner or joint venturer where after such assignment or transfer, the controlling interest of the Beneficiary is no longer held by one or both of the current General Partners in the Beneficiary.

in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided, that the foregoing provisions of this Section 1.10 shall not apply (i) to liens securing the indebtedness hereby secured, (ii) to the lien of current taxes and assessments not in default, (iii) to any transfers of the Property, or part thereof, or interest therein, or any beneficial interest, or shares of stock or partnership or joint venture interests as the case may be, in the Mortgage or any beneficiary of a Trustee Mortgagor by or on behalf of an owner thereof who is deceased or declared judicially incompetent, to such owner's heirs, legatees, devisees, executors, administrators, estate, personal representatives and/or committee or (iv) to transfers specifically permitted under the terms of the Redevelopment Agreement. The provisions of this Section 1.10 shall be operative with respect to, and shall be binding upon, any persons who, in accordance with the terms hereof or otherwise, shall acquire any part of or interest in or encumbrance upon the Property, or such beneficial interest in, share of stock of or partnership or joint venture interest in Mortgagor or any beneficiary of a Trustee Mortgagor.

ARTICLE II

2.01 Events of Default

The terms "Event of Default" or "Events of Default", wherever used in this Mortgage, shall mean any one or more of the following events:

(a) Mortgagor's or Beneficiary's failure to pay when due and payable any principal, interest (including without limitation, Additional Interest as defined in the Note) or any other monies required to be paid by Mortgagor or Beneficiary under the Note, this Mortgage, the Redevelopment Agreement or any other document given to secure the Note and such failure continues for ten (10) days following the giving of notice thereof from Mortgagee to Mortgagor and

(b) Mortgagor's failure to duly observe or perform any term, covenant, condition, or agreement of this Mortgage, the Note, or Redevelopment Agreement on its part to be performed or observed and such failure continues for sixty (60) days following the giving of notice thereof from Mortgagee to Mortgagor and Beneficiary, provided, however, that in the event such default cannot reasonably be cured within such 60 day period and if Mortgagor has commenced efforts to cure, then the time to cure shall be extended so long as said party diligently continues to cure such default;

(c) Beneficiary's failure to duly observe or perform any term, covenant, condition or agreement of the Redeveloment Agreement or any other agreement executed by it in connection with the Note on its part to be performed or observed within the Cure Period therein provided;

(d) A default continuing beyond all applicable cure periods under the Senior Financing (or any refinancing permitted pursuant to the Redevelopment Agreement) which would permit foreclosure thereunder; or

(e) A default under Section 1.10 hereof.

(f) If (and for the purpose of this Section 2.01 only, the term Mortgagor shall mean and include not only Mortgagor but any beneficiary of a Trustee Mortgagor and each person who as co-maker or otherwise shall be or become liable for or obligated upon all or any part of the Indebtedness Hereby Secured or any of the covenants or agreements contained herein or in the Redevelopment Agreement),

(i) Mortgagor shall file a petition in voluntary bankruptcy under any chapter of the Federal Bankruptcy Act or any similar law, state or federal, now or hereafter in effect, or

(ii) Mortgagor shall file an answer admitting insolvency or inability to pay its debts, or

(iii) Within sixty (60) days after the filing against Mortgagor of any involuntary proceedings under such Bankruptcy Act or similar law, such proceedings shall not have been vacated or stayed, or

(iv) Mortgagor shall be adjudicated a bankrupt, or a trustee or receiver shall be appointed for Mortgagor or for all or the major part of Mortgagor's property or the property in any involuntary proceeding, or any court shall have taken jurisdiction of all or the major part of Mortgagor's property or the Property in any involuntary proceeding for the reorganization, dissolution, liquidation or winding up of Mortgagor, and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within sixty (60) days, or

(v) Mortgagor shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due or shall consent to the appointment of a receiver or trustee or liquidator of all or the major part of its property or the Property.

2.02 Acceleration of Maturity

(a) Acceleration for Default. If an Event of Default shall have occurred under this Mortgage, the Note or the Redevelopment Agreement, the entire Indebtedness Secured Hereby shall, at Mortgagee's sole option, become immediately due and payable without further notice or demand;

(b) Cure Period. The time for curing a default under subsection (a) and (b) of Section 2.01 is sometimes herein referred to as the "Cure Period".

(c) Acceleration for Sale or Bankruptcy, Etc. Except as otherwise permitted under the terms of Redevelopment Agreement, which is hereby incorporated herein by reference as though fully set forth herein, upon a sale, partial sale, refinancing, exchange, transfer, sale under foreclosure, syndication or other disposition of the Property by Mortgagor, or upon the bankruptcy, reorganization, syndication, dissolution or liquidation of Beneficiary or Trustee, Mortgagee may, at its sole option, and upon written demand to the Mortgagor, accelerate the Note and demand immediate, full and complete payment of all sums due and owing thereunder; provided, however, the replacement or substitution of any machinery, equipment or fixtures, now owned or

hereafter acquired by Mortgagor, with machinery or equipment of like kind and value, whether or not such machinery or equipment is deemed a fixture under applicable provisions of the Illinois Uniform Commercial Code, will not be an Event of Default under this Mortgage provided Mortgagor executes such documents as may be necessary to assure Mortgagee of a continuing perfected secured second interest in such replacement or substituted machinery, equipment or fixtures.

(d) Mortgagee No Liability. Mortgagee shall have no liability to Mortgagor or Beneficiary for any loss, damage, injury, cost or expense resulting from any action or omission by it or its representatives which was taken or omitted in good faith.

2.03 Remedies

(a) Foreclosure. When the indebtedness hereby secured, or any part thereof, shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof. This Mortgage and the right of foreclosure hereunder shall not be impaired or exhausted by one or any foreclosure, and may be foreclosed successively and in parts, until all of the Property has been foreclosed against. In any such foreclosure, or upon the enforcement of any other remedy of Mortgagee under this Mortgage or the Note, there shall be allowed and included as additional indebtedness, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs involved in title insurance and title examinations. All expenditures and expenses of the nature in this paragraph mentioned, and such expenses and fees as may be incurred in the protection of the Property and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or the 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 Mortgagor, with interest at the Default Interest Rate, and shall be secured by this Mortgage. The proceeds of any foreclosure sale of the Property shall be distributed and applied in the following order of priority: (i) on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in this paragraph hereof; (ii) all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided, (iii) all principal and interest remaining unpaid on the Note; and (iv) any remaining amounts to Mortgagor, its successors or asigns, as their rights may appear.

(b) Mortgagor's Waivers. Mortgagor shall not and will not apply for or avail itself of any appraisment, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Property marshalled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety. Mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on its behalf and on behalf of each and every person, except decree or judgment creditors of Mortgagor, acquiring any interest in or title to the Property subsequent to the date of this Mortgage.

(c) Expenses Upon Possession or Foreclosure. Upon any other entering upon or taking of possession of the Property other than by means of a foreclosure, Mortgagee may hold, use, manage and control the Property and, from time to time (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property required in connection therewith; (ii) insure or keep the Property insured; (iii) manage the Property and exercise all the rights and powers of Mortgagor and Mortgagor's Beneficiary to the same extent as Mortgagor or Beneficiary could in their own names or otherwise with respect to the same (except Mortgagee shall not be entitled to operate the business of Beneficiary); and (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Mortgagee, all as Mortgagee from time to time may reasonably determine to be to its best advantage. Mortgagee may collect and receive all the rents, issues, profits and revenues of the same, including those past due as well as those accruing thereafter, and after deducting to the extent reasonable (aa) all expenses of taking, holding and managing the Mortgaged Property (including purposes); (bb) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions; (cc) the cost of such insurance; (dd) such taxes, assessments and other similar charges as Mortgagee may determine to pay; (ee) other proper charges upon the Property or any part thereof; and (ff) the reasonable compensation expenses and disbursements of the attorneys and agents of the Mortgagee, shall apply the remainder of the monies and proceeds so received by Mortgagee first to payments of accrued interest and Additional Interest; and second to the payment of principal. The balance of such funds, if any, after payment in full, of all of the

aforesaid amounts (including, without limitation, the entire outstanding principal balance under the Note) shall be paid to Mortgagor.

(d) All remedies available to Mortgagee under this Paragraph 2.03, shall be subject to the rights of the Senior Lender.

2.04 Receiver

If an Event of Default shall have occurred and be continuing, Mortgagee, upon application to a court of competent jurisdiction, shall be entitled to the appointment of a receiver to take possession of and to operate the Property and to collect and apply the rents, issues, profits and revenues thereof. The receiver shall have all rights and powers to the fullest extent permitted by law.

2.05 Purchase by the Mortgagee

Upon any foreclosure sale, Mortgagee may bid for and purchase the Property and shall be entitled to apply all or any part of the Indebtedness Secured Hereby as a credit to the purchase price.

2.06 Remedies Cumulative

No right, power or remedy conferred upon or reserved to Mortgagee by this Mortgage is intended to be exclusive of any other right, power or remedy, but each and every right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity or by statute.

2.07 Waiver

No delay or omission of Mortgagee or of any holder of the Note to exercise any right, power or remedy accruing upon any default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such default, or acquiescence therein; and every right, power and remedy given by this Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expendient by Mortgagee. No consent or waiver, expressed or implied, by Mortgagee to or of any breach or default by the Mortgagor in the performance of its obligations hereunder, shall be deemed or construed to be a consent or waiver to, or of any other breach or default in the performance of the same, or of any other obligations of Mortgagor hereunder. Failure on the part of Mortgagee to exercise any remedy upon an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Mortgagee of its rights hereunder or impair any rights, power or remedies on account of any breach or default by Mortgagor.

2.01 Mortgagee's Performance of Mortgagor's Obligations.

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

ARTICLE III

3.01 Successors and Assigns

This Mortgage shall inure to the benefit of and be binding upon Mortgagor and Mortgagee and their respective heirs, devisees, executors, legal representatives, successors and assigns. Whenever a reference is made in this Mortgage to Mortgagor or to Mortgagee, such reference shall be deemed to include a reference to heirs, devisees, executors, legal representatives, successors and assigns of Mortgagor or Mortgagee.

3.02 Terminology

All personal pronouns used in this Mortgage, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles and sections are for convenience only and neither limit nor amplify the provisions of this Mortgage itself, and all references herein to Articles, Sections or Paragraphs shall refer to the corresponding articles, section or paragraphs of this Mortgage unless specific reference is made to such articles, sections or paragraphs of another document or instrument.

3.03 Severability

If any provision of this Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Mortgage and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the extent permitted by law.

3.04 Security Agreement

This Mortgage shall be construed as a "Security Agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Property which constitutes fixtures (all for the purposes of this Section 3.04 called "Collateral"); all of the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Property, and the following provisions of this Section 3.04 shall not limit the generality or applicability of any other provision of this Mortgage but shall be in addition thereto:

(a) Mortgagor (being the Debtor as that term is used in the Code) is and will be the true and lawful owner of the Collateral, subject to no liens, charges or encumbrances other than the lien hereof and the lien of the Senior Financing.

(b) The Collateral is to be used by Mortgagor solely for business purposes, being installed upon the Property for Mortgagor's own use or as the equipment and furnishings furnished by Mortgagor, as landlord, to tenants of the Property.

(c) The Collateral will be kept at the real estate comprised in the Property and will not be removed therefrom without the consent of Mortgagee (being the Secured Party as that term is used in the Code) by Mortgagor or any other person; and the Collateral may be affixed to such real estate but will not be affixed to any other real estate.

(d) Except for the holder of the Senior Financing, the only persons having any interest in the Property are Mortgagor and Mortgagee.

(e) Except for the holder of the Senior Financing, no Financing Statement covering any of the Collateral or any proceeds thereof is on file in any public office except pursuant hereto; and Mortgagor will, at its own cost and expense, upon demand, furnish to Mortgagee such further information and will execute and deliver to Mortgagee such financing statement and other documents in form satisfactory to Mortgagee and will do all such acts and things as Mortgagee may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the indebtedness hereby secured, subject to no adverse liens or encumbrances; and Mortgagor will pay the cost of filing the same or filing or recording such financing statements or other documents, and this instrument, in all public offices wherever filing or recording is deemed by Mortgagee to be necessary or desirable.

(f) Upon any default or Event of Default hereunder (regardless of whether the Code has been enacted in the jurisdiction where rights or remedies are asserted) and at any time thereafter (such default not having previously been cured), Mortgagee, at its option, may declare the indebtedness hereby secured immediately due and payable, all as more fully set forth in Article II hereof, and thereupon Mortgagee shall have the remedies of a secured party under the Code, including without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as Mortgagor can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any place which the Collateral or any part therof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code); and Mortgagee shall be entitled to hold, maintain,

preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Mortgagor's right of redemption in satisfaction of Mortgagor's obligations, as provided in the Code. Mortgagee without removal may render the Collateral unusable and dispose of the Collateral on the Property. Mortgagee may require Mortgagor to assemble the Collateral and make it available to the Mortgagee for its possession at a place to be designated by Mortgagee which is reasonably convenient to both parties. Mortgagee will give Mortgagor at least ten (10) days' notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by certified mail or equivalent, postage prepaid, to the address of Mortgagor shown in Section 36 of this Mortgage at least ten (10) days before the time of the sale or disposition. Mortgagee may buy at any public sale and if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, Mortgagee may buy at private sale. Any such sale may be held as part of and in conjunction with any foreclosure sale of the real estate comprised within the Property, the Collateral and real estate to be sold as one lot if Mortgagee so elects. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling or the like and the reasonable attorneys' fees and legal expenses incurred by Mortgagee, shall be applied in satisfaction of the indebtedness hereby secured. Mortgagee will account to the Mortgagor for any surplus realized on such disposition.

(g) The remedies of Mortgagee hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the Code shall not be construed as a waiver of any of the other remedies of Mortgagee, including having the Collateral deemed part of the realty upon any foreclosure thereof so long as any part of the indebtedness hereby secured remains unsatisfied.

(h) The terms and provisions contained in this Section 3.04 shall, unless the context otherwise requires, have the meanings and be construed as provided in the Code. Mortgagee shall have all the rights with respect to such fixtures afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded Mortgagee by this Mortgage or any other agreement.

3.05 <u>Modification</u>

No change, amendment, modification, waiver, cancellation or discharge hereof, or any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns.

3.06 No Merger

It being the desire and intention of the parties hereto that the Mortgage and the lien thereof do not merge in fee simple title to the Property, it is hereby understood and agreed that should the Mortgagee acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary interest is manifested by Mortgagee as evidenced by an apropriate document duly recorded, this Mortgage and the lien thereof shall not merge in the fee simple title, toward the end of this Mortgage may be forclosed as if owned by a stranger to the fee simple title.

3.07 Prepayment Privilege.

At such time as Mortgagor is not in default under the terms of the Note, or under the terms of this Mortgage, Mortgagor shall have the privilege of making prepayments on the principal of the Note (in addition to the required payments thereunder) in accordance with the terms and conditions set forth in the Note, but not otherwise.

3.08 Future Advances.

Mortgagor and Mortgagee agree that this Mortgage also secures the payment of and includes all future, or further advances as shall be made by Mortgagee herein or its successors and assigns, to and for the benefit of Mortgagor, its legal representatives, successors or assigns, to the same extent as if such future advances were made on the date of the execution of this Mortgage. The total amount of indebtedness that may be secured by this Mortgage may decrease or increase from time to time but the total unpaid balance further so secured at any one time shall not exceed the maximum principal sum permitted by the laws of the state in which the Property is located or Six Hundred Fifty Thousand Dollars ($650,000)(whichever is the lesser) together with interest thereon and any and all disbursements made by Mortgagee for the payment of taxes, levies, or insurance on the property covered by the lien of this Mortgage with interest on such disbursements at the rate specified in the Note referred to in this Mortgage and for reasonable attorneys' fees and court costs incurred in the collection of any or all of such sums of money. Such further or future advances shall be wholly optional with Mortgagee and the same shall bear interest at the same rate as specified in the Note unless said interest rate shall be modified by subsequent agreement.

3.09 Notices.

All notices, certificates or other communications shall be sufficiently given and shall be deemed to have been received on the second day following the day on which the same have been mailed by registered or certified mail, postage and fees prepaid, addressed as follows:

If to Mortgagee: City of Chicago, Illinois
City Hall, Room 511
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Corporation Counsel

If to Mortgagor
or Beneficiary: American National Bank and Trust
Company as Trustee under Trust
No. 068972-01
c/o 555 Jackson Partnership
200 S. Wacker Drive
Suite 4000
Chicago, Illinois 60606
Attention: Greg Merdinger

With a copy to: Patrick G. Moran, Esq.
Sonnenschein Carlin Nath
& Rosenthal
8000 Sears Tower
Chicago, Illinois 60606

The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

3.10 Exculpatory Clause

This Mortgage is executed by Mortgagor, not personally, but as Trustee as aforesaid, in the exercise of power and authority conferred upon and vested in it as such Trustee (and said Trustee in its personal and individual capacity hereby states that it as Trustee possesses full power and authority to execute this instrument) and it is expressly understood and agreed by Mortgagee and by every person now or hereafter claiming any right or security hereunder that nothing contained herein or in the Note secured by this Mortgage shall be construed as creating any liability on said Trustee in its individual capacity personally to pay the Note or any interest that may accrue thereon, or any indebtedness accruing hereunder or to perform any covenant, either expressed or implied, herein contained, all such liability, if any, being expressly waived, but this waiver shall in no way affect the liability of any guarantor of the Note or any other person or entity executing the Note or this Mortgage.

3.11 Applicable Law

This Mortgage shall be interpreted, construed and enforced under the laws of the State of Illinois.

IN WITNESS WHEREOF, the undersigned has executed the foregoing instrument the date and year first above written.

American National Bank and
Trust Company of Chicago,
not personally but as Trustee
under Trust No. 068972-01

By: _____
Title: VP

ATTEST:

By: _____
Title: Asst Secty

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

I, KULA DAVIDSON, a Notary Public in and for said County in the State aforesaid, do hereby certify that _____, Vice President of American National Bank and Trust Company of Chicago, an _____, and Peter Johnson, Assistant Secretary of said _____, personally known to me to be the same persons 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 _____, 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 _____, did affix the said instrument as his own free and voluntary act, and as the free and voluntary act of said _____, as Trustee, for the uses and purposes therein set forth.

Given under my hand and notarial seal this OCT 30 1987 day of _____, 19__.

_____
Notary Public

My Commission Expires:

_____, 19__

JOINDER

The undersigned, being the owner of One Hundred Per Cent (100%) of the beneficial interest in the Trust which is the Mortgagor under the foregoing Junior Mortgage, Assignment of Leases and Rents, And Security Agreement (the "Mortgage") hereby consents to and joins in the foregoing Mortgage intending hereby to bind any interest it may have in the Property described in the Mortgage as fully and with the same effect as if the undersigned were named as the Mortgagor in said Mortgage provided, however, nothing herein contained shall create any personal liability of the undersigned other than its interest in the property.

555 WEST JACKSON PARTNERSHIP

By: _____
General Partner

By: _____
General Partner

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, JOHN CAMPBELL, a Notary Public in and for the County and State aforesaid, do hereby certify that GREG MERDINGER and JOHN A. BUCK, personally known to me to be the general partners of 555 West Jackson Partnership, an Illinois limited partnership, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledge that they signed said instrument as their free voluntary act and as the free and voluntary act of said partnership for the uses and purpses therein set forth.

Given under my hand and notarial seal this 18th day of November, 1987.

_____
Notary Public

My commission expires:
Aug 27, 1988

(a) Failure by Mortgagor to pay when due all payments of principal, interest and Additional Interest as provided in the Note or the payment of any other monies required to be paid in the Note, this Mortgage or the Redevelopment within ten (10) days after notice thereof from Mortgagee to Mortgagor and Beneficiary;

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88100032

EXHIBIT B

PARCEL 1

THE SOUTH 1/2 OF LOT 3 IN BLOCK 45 IN THE SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2

THAT PART OF LOT 2 AND THE NORTH 1/2 OF LOT 3 IN BLOCK 45 IN SCHOOL SECTION ADDITION TO CHICAGO WHICH IS BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING IN THE NORTH LINE OF SAID LOT 2 AT A POINT 90 FEET EAST FROM THE NORTH WEST CORNER THEREOF; THENCE RUNNING SOUTH 75 FEET; THENCE EAST 60 FEET MORE OR LESS TO THE WEST LINE OF AN ALLEY; THENCE NORTH 75 FEET TO THE NORTH LINE OF SAID LOT 2 AND THENCE WEST TO THE POINT OF BEGINNING, KNOWN AS LOTS 1 AND 2 ASSESSOR'S DIVISION OF LOT 2 AND THE NORTH 1/2 OF LOT 3 OF BLOCK 45 OF SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 2, 1866 IN BOOK 164 OF MAPS PAGE 115, IN COOK COUNTY, ILLINOIS.

P.I.N. 17-16-119-004-0000
17-16-119-005-0000

88100035

88100035

NO CHARGE
MAIL CALL

DEPT-09 RECD.
T#1111 TRAN 6462 03/09/88 12:17:00
#5226 # A *-88-100035
COOK COUNTY RECORDER

$1.00

3900

MUT CYIF
AO CIVHCE