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69.00

MORTGAGE, SECURITY AGREEMENT
AND ASSIGNMENT OF LEASES AND RENTS

BETWEEN

LA SALLE NATIONAL BANK, AS TRUSTEE UNDER A
LAND TRUST AGREEMENT DATED JULY 1, 1983
AND KNOWN AS TRUST NO. 106648, AND NOT PERSONALLY,
LA SALLE NATIONAL BANK, AS TRUSTEE UNDER A
LAND TRUST AGREEMENT DATED APRIL 1, 1979
AND KNOWN AS TRUST NO. 100870, AND NOT PERSONALLY,
MUSICAL ARTS VENTURE, AN ILLINOIS GENERAL PARTNERSHIP,
AND FINE ARTS VENTURE, LIMITED PARTNERSHIP, AN ILLINOIS LIMITED
PARTNERSHIP, collectively the Mortgagor

AND

HELLER FINANCIAL, INC., Mortgagee

88101236

This document was prepared by and
after recordation should be returned to:
Gregory P.L. Pierce, Esq.
Katten Muchin & Zavis
525 W. Monroe, Suite 1600
Chicago, Illinois 60606

BOX 333—WJ

Loan No. 87-061C

87677220

Common Addresses of Premises: Property Index No.
Fine Arts Building 17-15-109-005-0000
410-418 South Michigan Avenue 17-15-109-010-0000
Chicago, Illinois 60605 17-15-109-011-0000
and
421 S. Wabash Avenue
Chicago, Illinois 60605

COOK COUNTY RECORDER
RECORDING DIVISION

1987 DEC 29 PM 2:38

87677220

10/10/88
THIS DOCUMENT IS BEING RE-RECORDED TO CORRECT THE ORDER OF
THE PAGES.

RE-RECORD

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THIS MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF LEASES AND RENTS (this "Mortgage") is made as of December 8, 1987, by and between LA SALLE NATIONAL BANK, not personally but as Trustee under Trust Agreement dated July 1, 1983 and known as Trust Number 106648 (the "Trustee 1"), LA SALLE NATIONAL BANK, not personally but as Trustee under the Trust Agreement dated April 1, 1979 and known as Trust Number 100870 (the "Trustee 2"), MUSICAL ARTS VENTURE, an Illinois general partnership whose mailing address is 410 South Michigan Avenue, Chicago, Illinois 60605 (the "Beneficiary 1"), and FINE ARTS VENTURE, LIMITED PARTNERSHIP, an Illinois limited partnership formerly known as Fine Arts Venture whose mailing address is 410 South Michigan Avenue, Chicago, Illinois 60605 (the "Beneficiary 2"), Trustee 1, Trustee 2, Beneficiary 1 and Beneficiary 2 are hereinafter individually and collectively referred to as the "Mortgagor", and HELLER FINANCIAL, INC., a Delaware corporation (the "Mortgagee") whose mailing address is 200 North LaSalle Street, 9th Floor, Chicago, Illinois 60601.

W I T N E S S E T H:

WHEREAS, the Mortgagor is justly indebted to the Mortgagee in the principal sum of Five Million Five Hundred Thousand Dollars ($5,500,000.00) as evidenced by one certain PROMISSORY NOTE of the Mortgagor of even date herewith (the "Note"), made payable to the order of and delivered to the Mortgagee, the final payment of which, if not sooner paid, shall be due on December 31, 1992 (which Promissory Note, together with all notes issued in substitution or exchange therefor and/or as any of the foregoing may be amended, modified or supplemented from time to time hereafter, is hereinafter called the "Note"). The terms and provisions of the Note are hereby incorporated and made a part hereof by this reference thereto with the same force and effect as if set forth at length herein.

WHEREAS, Mortgagee wishes to secure: (i) the prompt payment of the Note, together with interest and premiums, if any due thereon, and late charges and other amounts, if any, due or to become due thereunder, in accordance with the terms of the Note, (ii) 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 Mortgagee under and/or pursuant to the terms and provisions of this Mortgage ("Additional Liabilities"), (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 Mortgagee (hereinafter referred to as "Future Advances") howsoever evidenced, created, incurred,

acquired or owing, whether direct or contingent, and arising under and/or pursuant to the terms and provisions of the Standing Mortgage Loan Commitment dated September 28, 1987 from Mortgagee to and accepted by Beneficiary 2, as amended by the letter amendment dated October 15, 1987 from Mortgagee to and accepted by Beneficiary 2 (said Standing Mortgage Loan Commitment, as amended, is hereinafter referred to as the "Commitment"), or any other agreements, security agreements, assignments of leases and rents, collateral assignments of beneficial interest, instruments and/or documents now and/or hereafter executed and delivered by or for Mortgagor, or any of them, to Mortgagee (hereinafter referred to as the "Other Agreements"), it being contemplated that Mortgagor may hereafter become indebted to Mortgagee for Future Advances; provided, however, that the maximum amount of the "Indebtedness" (hereinafter defined) outstanding at any one time secured hereby shall not exceed two hundred percent (200%) of the principal amount of the Note. As used in this Mortgage the term "Indebtedness" means and includes the payment when due or declared due of the principal amount of the Note together with all interest, additional interest, late charges, prepayment premiums and any other amounts provided for therein together with the Additional Liabilities and the Future Advances.

SECTION 1

GRANTING CLAUSE-I

NOW, THEREFORE, to secure the Indebtedness, and to secure the performance and observance by Mortgagor of the covenants, conditions and agreements contained in the Note, this Mortgage and/or the Other Agreements, and also in consideration of the sum of ONE DOLLAR ($1.00) in hand paid, the receipt whereof is hereby acknowledged, Mortgagor does by these presents MORTGAGE, GRANT, BARGAIN, REMISE, RELEASE, ALIENATE AND CONVEY unto the Mortgagee and its successors and assigns forever, all of the following described property whether now owned or hereafter acquired by Mortgagor (which property is hereinafter sometimes individually and collectively referred to as the "Mortgaged Property"), to wit:

(a) the following described real estate and all of Trustee 1's and Beneficiary 1's present and hereafter-acquired estate, right, title and interest therein, situated, lying and being in the County of Cook and State of Illinois as more particularly described on EXHIBIT "A-1" attached hereto and made a part hereof (the "Land 1");

(b) the following described real estate and all of Trustee 2's and Beneficiary 2's present and hereafter acquired estate, right, title and interest therein, situated, lying and being in the County of Cook and State of Illinois as more particularly described on EXHIBIT "A-2" attached hereto and made a part hereof (the "Land 2") (as used herein the Land 1 and Land 2 are together herein called the "Premises");

(c) All buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Premises (the "Improvements"), and all fixtures, fittings, building materials, machinery, equipment, furniture and furnishings and personal property of every nature whatsoever now or hereafter owned by the Mortgagor and used or intended to be used in connection with or with the operation of said Premises and Improvements, including all extensions, additions, improvements, betterments, renewals, substitutions and replacements to any of the foregoing, whether such fixtures, furnishings and personal property are actually located on or adjacent to the Premises and/or the Improvements or not and whether in storage or otherwise wheresoever the same may be located. Trade fixtures and personal property of tenants and property of Mortgagor's contractors are specifically excluded from this Mortgage;

(d) All easements, rights of way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, leases, rights, titles, interest, privileges, liberties, tenements, hereditaments, and appurtenances whatsoever, in any way belonging, relating or appertaining to any of the Premises and/or Improvements, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by the Mortgagor, and the reversion and reversions, remainder and remainders, rents, issues, profits thereof, and all real estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of the Mortgagor of, in and to the same, including but not limited to:

(i) All leases and other agreements affecting the use, enjoyment or occupancy of the Premises and/or Improvements now or hereafter entered into (the "Leases") and all rents, royalties, profits, issues and revenues from the Premises and/or Improvements from time to time accruing, whether under Leases, concessions or tenancies now existing or hereafter created, reserving to Mortgagor, however, so long as no "Event of Default" (hereinafter defined) has occurred hereunder, the right to receive and retain the rents, issues and profits thereof; and

(ii) All judgments, insurance proceeds, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the Premises and/or the Improvements or any part thereof under the power of eminent domain, or for any damage (whether caused by such taking, by casualty or otherwise) to the Premises and/or the Improvements or any part thereof, or to any rights appurtenant thereto, including any award for change of grade or streets;

(e) All proceeds of the conversion, voluntary or involuntary of subparagraphs (a), (b), and (c) above into cash or liquidated claims;

(f) Any monies on deposit with or for the benefit of Mortgagee, including but not limited to deposits for the payment of real estate taxes or special assessments against the Premises, Improvements, and/or Leases or for the payment of premiums on policies of fire and other hazard insurance for or with respect to the Premises, Improvements, and/or Leases;

(g) All goodwill, trademarks, trade names, option rights, books and records, and general intangibles of the Mortgagor relating to the Premises, Improvements, and/or Leases, and all accounts, contract rights, instruments, chattel paper and other rights of the Mortgagor for payment of money, for property sold or lent, for services rendered, for money lent, or for advances or deposits made relating to the Premises, Improvements, and/or Leases;

(h) All rights of the Mortgagor to any and all plans and specifications, designs, drawing and other matters prepared for any construction on the Premises and/or Improvements;

(i) All rights of the Mortgagor under any contracts executed by the Mortgagor with any provider of goods or services for or in connection with any construction undertaken on or services performed or to be performed in connection with the Premises, Improvements, and/or Leases;

(j) All rights of the Mortgagor as seller or borrower under any agreement, contract, understanding or arrangement pursuant to which the Mortgagor has, with the prior written consent of the Mortgagee, obtained the agreement of any person or entity to pay or disburse any money for the Mortgagor's sale (or borrowing on the security) of the Premises, Improvements, and/or Leases or any part thereof; and

(k) To the extent assignable, any and all permits, certificates, approvals and authorizations, however characterized, issued or in any way furnished whether necessary or not, for the

operation and use of the Premises, Improvements, and/or Leases, including, without limitation, building permits, environmental certificates, certificates of operation, warranties and guarantees.

To Have And To Hold the Mortgaged Property together with the rents, issues, profits and proceeds thereof, unto the Mortgagee, its successors and assigns, forever, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State or other jurisdiction in which the Premises are located (which rights and benefits are hereby expressly released and waived), for the uses and purposes herein set forth.

SECTION 2

GRANTING CLAUSE-II

2.1 Mortgagor and Mortgagee agree: (i) that this Mortgage shall constitute a Security Agreement within the meaning of the Uniform Commercial Code of the State in which the Premises are located (the "Code") with respect to all sums on deposit with the Mortgagee pursuant to Sections 6 and 9 hereof ("Deposits") and with respect to any property included in the definition herein of the words "Mortgaged Property", which property may not be deemed to form a part of the real estate described in EXHIBIT "A-1" and/or EXHIBIT "A-2" or may not constitute a "fixture" (within the meaning of Section 9-313 of the Code), and all replacements of such property, substitutions for such property, additions to such property, and the proceeds thereof (said property, replacements, substitutions, additions and the proceeds thereof being sometimes herein collectively referred to as the "Collateral"); and (ii) that a security interest in and to the Collateral and the Deposits is hereby granted to the Mortgagee; and (iii) that the Deposits and all of Mortgagor's right, title and interest therein are hereby assigned to the Mortgagee; all to secure payment of the Indebtedness and to secure performance by the Mortgagor of the terms, covenants and provisions hereof. The lien and security interest hereof will automatically attach without further act, to all after acquired Collateral.

SECTION 3

COVENANT OF OWNERSHIP; USE OF COLLATERAL; FURTHER ASSURANCES

3.1 The Mortgagor hereby covenants with the Mortgagee and with the purchaser at any foreclosure sale: that at the execution and delivery hereof, Mortgagor owns the Mortgaged Property and has good, indefeasible estate therein, in fee simple; that the Mortgaged Property (including the Collateral) are free

from all encumbrances whatsoever (and any claim of any other person thereto) other than those encumbrances permitted by the Mortgagee in writing; that it has good and lawful right to sell, mortgage and convey the Mortgaged Property; and that Mortgagor and its successors and assigns shall forever defend the Mortgaged Property against all claims and demands whatsoever.

3.2 The Mortgagor agrees that, without the written consent of the Mortgagee, the Mortgagor will not remove or permit to be removed from the Mortgaged Property any of the Collateral except that so long as no Event of Default exists hereunder, Mortgagor shall be permitted to sell or otherwise dispose of the Collateral when obsolete, worn out, inadequate, unserviceable or unnecessary for use in the operation of the Mortgaged Property, but only upon replacing the same or substituting for the same other Collateral at least equal in value and utility to the initial value and utility of that disposed of and in such manner that said replacement or substituted Collateral shall be subject to the security interest created hereby and that the security interest of the Mortgagee shall be perfected and first in priority, it being expressly understood and agreed that all replacements, substitutions and additions to the Collateral shall be and become immediately subject to the security interest of this Mortgage and covered hereby.

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

3.4 The Mortgagor and the Mortgagee agree, to the extent permitted by law, that: (i) all of the goods described within the definition of the words "Mortgaged Property" herein are or are to become fixtures on the land described in EXHIBIT "A-1" and in EXHIBIT "A-2"; (ii) this instrument, upon recording

or registration in the real estate records of the proper office, shall constitute a "fixture filing" within the meaning of Sections 9-313 and 9-402 of the Code; and (iii) Mortgagor is a record owner of the land described in EXHIBIT "A-1" and EXHIBIT "A-2".

SECTION 4

MAINTENANCE AND RESTORATION;
PAYMENT OF LIENS; INDEMNITY; INSPECTION RIGHT:

4.1 Mortgagor shall: (a) promptly repair, restore or rebuild any Improvements now or hereafter on the Premises which may become damaged or destroyed so as to be of equal value and substantially of the same character as prior to such damage or destruction, without regard to the availability or adequacy of any casualty insurance proceeds or eminent domain awards; (b) keep the Mortgaged Property constantly in good condition and repair, without waste; (c) keep the Mortgaged Property free from mechanics' liens or other liens or claims for lien (collectively called "Liens"), subject however to the rights of the Mortgagor set forth in Section 4.2 below; (d) immediately pay when due any indebtedness which may be secured by a lien or charge on the Mortgaged Property (no such lien to be permitted hereunder), and upon request, exhibit satisfactory evidence of the discharge of such lien to Mortgagee; (e) complete within a reasonable time any building(s) or other improvements now or at any time in process of erection upon the Mortgaged Property; (f) comply with all federal, state and local requirements of law, regulations, ordinances, orders and judgments and all covenants, easements and restrictions of record with respect to the Mortgaged Property and the use thereof; (g) make no alterations in the Mortgaged Property nor permit any excavation, construction, earth work, site work, or any other mechanics lienable work, (except for tenant improvements and normal and customary repair and maintenance thereon) without Mortgagee's prior written consent; (h) suffer or permit no change in the use of the general nature of the occupancy of the Mortgaged Property without Mortgagee's prior written consent; (i) not initiate or acquiesce in any zoning variation or reclassification without Mortgagee's prior written consent; (j) observe and comply with all conditions and requirements (if any) necessary to preserve and extend all rights, licenses, permits (including without limitation zoning variations and any nonconforming uses and structures), privileges, franchises and concessions applicable to the Mortgaged Property or contracted for in connection with any present or future use of the Mortgaged Property; and (k) pay each item of Indebtedness secured by this Mortgage when due according to the terms hereof and of the Note.

4.2 Anything in Sections 4.1(c) or 4.1(d) of this Mortgage to the contrary notwithstanding, Mortgagor may, in good faith and with reasonable diligence, contest the validity or amount of any Lien and defer payment and discharge thereof during the pendency of such contest, provided: (i) that such contest shall have the effect of preventing the sale or forfeiture of the Mortgaged Property or any part thereof, or any interest therein, to satisfy such Lien; (ii) that, within ten (10) days after Mortgagor has been notified of the assertion of such Lien, Mortgagor shall have notified Mortgagee in writing of Mortgagor's intention to contest such Lien; and (iii) that Mortgagor shall have provided Mortgagee an endorsement to its title insurance policy in form acceptable to Mortgagee insuring Mortgagor against any claims, loss or damage on account of such Lien; or in the alternative, that Mortgagor shall have deposited with Mortgagee at such place as Mortgagee may from time to time in writing appoint, a sum of money which shall be sufficient in the judgment of Mortgagee to pay in full such Lien and all interest which might become due thereon, and shall keep on deposit an amount so sufficient at all times, increasing such amount, on demand, to cover additional interest whenever, in the judgment of Mortgagee, such increase is advisable. Such deposits are to be held without any allowance of interest to Mortgagor. If Mortgagor shall fail to prosecute such contest with reasonable diligence or shall fail to pay the amount of the Lien plus any interest finally determined to be due upon the conclusion of such contest, to the extent such amount exceeds the amount which Mortgagee will pay as provided below, or shall fail to maintain sufficient funds on deposit as hereinabove provided, Mortgagee may, at its option, apply the money so deposited in payment of or on account of such Lien, or that part thereof then unpaid, together with all interest thereon. If the amount of money so deposited shall be insufficient for the payment in full of such Lien, together with all interest thereon, Mortgagor shall forthwith, upon demand, deposit with Mortgagee a sum which, when added to the funds then on deposit, shall be sufficient to make such payment in full. Mortgagee shall, upon the final disposition of such contest, apply the money so deposited in full payment of such Lien or that part thereof then unpaid, together with all interest thereon (provided no Event of Default then exists hereunder) when so requested in writing by Mortgagor and when furnished by Mortgagor with sufficient funds to make such payment in full and with evidence satisfactory to Mortgagee of the amount of the payment to be made.

4.3 At all times, Mortgagor shall appear in and defend any suit, action or proceeding that might in any way in the sole judgment of Mortgagee directly affect the value of the Mortgaged Property, the priority of the lien and security interest created by this Mortgage or the rights and powers of Mortgagee hereunder or under any document given at any time to secure the

Indebtedness. Mortgagor shall at all times, indemnify, hold harmless and reimburse Mortgagee on demand for any and all loss, damage, expense or cost, including cost of evidence of title and attorneys' fees, arising out of or incurred in connection with any such suit, action or proceeding, and the sum of such expenditures shall be secured by this Mortgage, and shall bear interest after demand at the default rate specified in the Note and such interest shall be secured hereby and shall be due and payable on demand.

4.4 Mortgagee shall have the right to inspect the Mortgaged Property at all reasonable times and access thereto shall be permitted for that purpose.

SECTION 5

PAYMENT OF TAXES:

5.1 Mortgagor shall pay or cause to be paid all general taxes before any penalty or interest attaches, and shall pay special taxes, special assessments, water charges, sewer service charges, and all other charges against the Mortgaged Property of any nature whatsoever when due, and shall, upon written request, furnish to Mortgagee duplicate receipts therefor within thirty (30) days following the date of payment. Mortgagor shall pay in full "under protest" any tax or assessment which Mortgagor may desire to contest, in the manner provided by law.

SECTION 6

TAX DEPOSITS:

6.1 Mortgagor shall deposit into an interest-bearing account with the Mortgagee or such depositary ("Depositary") as the Mortgagee may from time to time in writing appoint, commencing on the date of disbursement of the proceeds of the loan secured hereby and on the first day of each month following the month in which said disbursement occurs, a sum equal to the amount of all real estate taxes and assessments (general and special) next due upon or for the Mortgaged Property (the amount of such taxes next due to be based upon the Mortgagee's reasonable estimate from time to time as to the amount of taxes and assessments to be levied and assessed) reduced by the amount, if any, then on deposit with the Mortgagee or the Depositary, divided by the number of months to elapse before one month prior to the date when such taxes and assessments will become due and payable. All interest earned on such deposits shall be deemed earned by Mortgagor and shall be added to the balance of such account. Such deposits, absent an Event of Default hereunder, are to be used for the payment of

taxes and assessments (general and special) on the Mortgaged Property next due and payable when they become due. If the funds so deposited are insufficient to pay any such taxes or assessments (general or special) when the same become due and payable, the Mortgagor shall, within ten (10) days after receipt of demand therefor from the Mortgagee or Depositary, deposit such additional funds as may be necessary to pay such taxes and assessments (general and special) in full. If the funds so deposited exceed the amount required to pay such taxes and assessments (general and special) for any year, the excess shall be applied on a subsequent deposit or deposits. Said deposits will be kept in a separate account apart from any other funds of the Mortgagee or the Depositary.

6.2 Anything in this Section 6 to the contrary notwithstanding, if the funds so deposited are insufficient to pay any such taxes or assessments (general or special) or any installment thereof, Mortgagor will, not later than the thirtieth (30th) day prior to the last day on which the same may be paid without penalty or interest, deposit with the Mortgagee or the Depositary the full amount of any such deficiency.

6.3 If any such taxes or assessments (general or special) shall be levied, charged, assessed or imposed upon or for the Premises, or any portion thereof, and if such taxes or assessments shall also be a levy, charge, assessment or imposition upon or for any other premises not encumbered by the lien of this Mortgage, then the computation of any amount to be deposited under this Section 6 shall be based upon the entire amount of such taxes or assessments, and Mortgagor shall not have the right to apportion the amount of any such taxes or assessments for the purposes of such computation.

SECTION 7

MORTGAGEE'S USE OF
TAX DEPOSITS; SECURITY INTEREST:

7.1 Upon the occurrence of an Event of Default hereunder, the Mortgagee may, at its option but without being required so to do, apply any monies at the time on deposit pursuant to Section 6 hereof, including all interest earned thereon, against any of the Indebtedness in such order and manner as the Mortgagee may elect. When the Indebtedness has been fully paid, any remaining deposits shall be paid to Mortgagor or to the then owner or owners of the Mortgaged Property as the same appear on the records of the Mortgagee. A security interest, within the meaning of the Uniform Commercial Code of the State in which the Premises are located, is hereby granted to the Mortgagee in and to

all monies, including all interest earned thereon, at any time on deposit pursuant to Section 6 hereof and such monies and all of Mortgagor's right, title and interest therein are hereby assigned to Mortgagee, all as additional security for the Indebtedness hereunder and shall, in the absence of an Event of Default hereunder, be applied by the Mortgagee or Depositary for the purposes for which made hereunder and shall not be subject to the direction or control of the Mortgagor; provided, however, that neither the Mortgagee nor the Depositary shall be liable for any failure to apply to the payment of taxes or assessments any amount so deposited unless Mortgagor, while no Event of Default exists hereunder, shall have furnished Mortgagee with the bills therefor and requested Mortgagee or the Depositary in writing to make application of such funds to the payment of the particular taxes or assessments for payment of which they were deposited, accompanied by the bills for such taxes or assessments. Neither Mortgagee nor the Depositary shall be liable for any act or omission taken in good faith, but only for its gross negligence or willful misconduct.

SECTION 8

MORTGAGEE'S RELIANCE ON TAX BILLS, LIEN CLAIMS:

8.1 Mortgagee in making any payment hereby authorized: (a) relating to taxes and assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or (b) for the purchase, discharge, compromise or settlement of any other lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted.

SECTION 9

INSURANCE:

9.1 Mortgagor shall at all times keep the Mortgaged Property and the rents accruing from the Mortgaged Property insured (without coinsurance) against loss or damage by fire, flood, lightning, windstorm, earthquake, civil commotion, malicious mischief, other risks insured against by so-called "extended coverage" and "all risk" forms of policy and such other risks and hazards as may be designated from time to time by Mortgagee, in its sole discretion, in amounts: (a) for the Mortgaged Property, equal to or greater than one hundred percent (100%) of the full replacement cost thereof (without deduction for

depreciation) as determined from time to time by Mortgagee; (b) for such rents, at least equal to the total of all rents accruing from the Mortgaged Property for a one (1) year period; and (c) for any other type of insurance requested by Mortgagee, in such amounts as Mortgagee may from time to time determine. All such insurance policies shall be in form and substance and shall be issued by an insurance company or companies acceptable to Mortgagee in its sole discretion.

Mortgagor will assign and deliver to Mortgagee the original or a certificate together with a photocopy of each policy of insurance required to be maintained pursuant to this Section 9, and all renewals and replacements thereof. Each such policy shall provide that all proceeds shall be payable to Mortgagee (notwithstanding that any such proceeds may exceed the Indebtedness then secured by the lien of this Mortgage), that the same may not be cancelled except upon thirty (30) days prior written notice to Mortgagee, and that no act or thing done by Mortgagor shall invalidate the policy as against Mortgagee, and shall otherwise be in form and substance acceptable to Mortgagee, in its sole discretion, so that at all times until the payment in full of the Indebtedness, interest thereon and all other amounts secured by the lien of this Mortgage, Mortgagee shall have and hold the said policy and policies as further Collateral for the payment in full of the Indebtedness and interest thereon and all other amounts secured by the lien of this Mortgage. In case of policies about to expire, Mortgagor will deliver to and deposit with Mortgagee renewal policies not less than thirty (30) days prior to their respective dates of expiration. In the event of foreclosure of this Mortgage or assignment hereof by Mortgagor, or transfer of title to the Mortgaged Property in extinguishment of the Indebtedness, all right, title and interest of Mortgagor in and to any policies then in force shall pass to the purchaser, grantee or assignee. If Mortgagor shall fail to obtain any such policy or policies required by Mortgagee, or shall fail to assign and deliver the same to Mortgagee, then Mortgagee may obtain such insurance and pay the premium or premiums therefor, in which event Mortgagor shall, on demand of Mortgagee, repay such premium or premiums to Mortgagee and such amounts so required to be repaid shall be added to the Indebtedness and secured by the lien of this Mortgage.

9.2 Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless Mortgagee is included thereon under a standard non-contributory mortgagee clause acceptable to Mortgagee. Mortgagor shall immediately notify Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to Mortgagee the original policy or

policies of such insurance. In the event of a foreclosure sale, all interest in all insurance policies in force shall pass to Mortgagee, transferee or purchaser, as the case may be.

9.3 Within ninety (90) days following the end of each fiscal year of Mortgagor, at the request of the Mortgagee and if needed to maintain the insurance required hereunder, Mortgagor agrees to furnish such evidence or determinations of replacement cost, without cost to the Mortgagee, such as are regularly and ordinarily made by insurance companies to determine the then replacement cost of the building(s) and other improvements on the Premises.

SECTION 10

ADJUSTMENT OF LOSSES, APPLICATION OF INSURANCE PROCEEDS:

10.1 In case of loss or damage by fire or other casualty, Mortgagor and Mortgagee shall jointly make or file proofs of loss or damage and settle and adjust any claim under insurance policies which insure against such risks; provided, however, if, in Mortgagee's determination in its absolute discretion, Mortgagor shall not be diligently pursuing such filings, settlements, and/or adjustments, then Mortgagee is authorized and empowered: (a) to make or file proofs of loss or damage and to settle and adjust any claim under insurance policies which insure against such risks; or (b) to direct Mortgagor, in writing, to agree with the insurance company or companies on the amount to be paid in regard to such loss. In case of any of the foregoing events, Mortgagee is authorized to collect and receipt for any such insurance monies. So long as: (a) each Lease is in full force and effect and each tenant thereunder is not in default and such loss or damage shall not result in the termination or cancellation of any Leases or give any tenant thereunder the right to terminate or cancel its Lease; (b) no insurer denies liability as to any insured or claims any right of participation in any of Mortgagee's security; (c) in the reasonable judgment of Mortgagee, sufficient funds are available to allow the buildings and other improvements on the Premises to be repaired, restored or rebuilt at least six (6) months prior to the maturity date of the Note so as to adequately secure the outstanding balance of the Indebtedness; (d) the insured casualty to the Premises involves damages of less than five hundred thousand dollars ($500,000.00); and (e) there exists no default under the Note and no Event of Default under this Mortgage or under any of the Other Agreements, then such insurance proceeds, after deducting therefrom any expenses incurred by Mortgagee in the collection thereof, shall be made available by the Mortgagee for the repair, rebuilding or

restoration of the buildings and other improvements on the Premises. In all other cases, such insurance proceeds may, at the option of the Mortgagee, in its sole discretion, be: (a) applied in reduction of the Indebtedness, whether due or not; or (b) held by the Mortgagee and used to reimburse Mortgagor or any lessee for the cost of the repair, rebuilding or restoration of buildings and other improvements on the Premises. In any event, the buildings and other improvements shall be so repaired, restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction. If the insurance proceeds are made available for repair, rebuilding or restoration, such proceeds shall be disbursed upon the Disbursing Party (hereinafter defined) being furnished with satisfactory evidence of the cost of completion thereof and with architects' certificates, waivers of lien, contractors' and subcontractors' sworn statements, title continuations and other evidence of cost and payments so that the Disbursing Party can verify that the amounts disbursed from time to time are represented by completed and in-place work and that said work is free and clear of mechanics' and materialmen's lien claims. No payment made prior to the final completion of the work shall exceed ninety percent (90%) of the value of the work performed from time to time, and at all times the undisbursed balance of such proceeds remaining in the hands of the Disbursing Party shall be at least sufficient to pay for the cost of completion of the work free and clear of liens. Notwithstanding anything to the contrary contained in this Section 10.1, if the cost of rebuilding, repairing or restoring the buildings and other improvements may reasonably exceed the sum of FIFTY THOUSAND DOLLARS ($50,000.00), then, prior to the commencement of such work, the Mortgagee: (a) must approve plans and specifications of such work; (b) must be given an architect's certificate acceptable to Mortgagee indicating that the buildings and other improvements on the Premises may be reconstructed at least six (6) months prior to the maturity date of the Note; (c) must be satisfied that upon the completion of such rebuilding, repair and restoration, the Mortgaged Property will be an economically viable project; (d) Mortgagor must deposit with Mortgagee an amount, in cash, which Mortgagee reasonably determines is necessary, in addition to the net proceeds of insurance, to pay in full the cost of the repair, rebuilding and restoration, and (e) there exists no default under the Note and no Event of Default under this Mortgage or under any of the Other Agreements. Any surplus which may remain out of said insurance proceeds and additional deposit, if any, after payment of the cost of repair, rebuilding, restoration and the reasonable charges of the Disbursing Party, shall, at the option of the Mortgagee, be applied on account of the Indebtedness or paid to any party entitled thereto as the same appear on the records of the Mortgagee. No interest shall be allowed to Mortgagor on any proceeds of insurance held by the Disbursing Party.

10.2 If in the reasonable judgment of Mortgagee, the buildings and other improvements on the Premises cannot be repaired, restored or rebuilt within the time period described in Section 10.1, so as to be of at least equal value and substantially the same character as prior to such damage or destruction, and so as to adequately secure the outstanding balance of the Indebtedness, then at any time from and after such damage or destruction, upon thirty (30) days' written notice to Mortgagor, Mortgagee may declare the entire balance of the Indebtedness to be immediately due and payable.

10.3 As used in this Section 10, the term "Disbursing Party" refers to the Mortgagee and/or any responsible trust company or title insurance company selected by Mortgagee.

10.4 Mortgagee shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure or for any use by Mortgagor of such proceeds as Mortgagee may pay over to Mortgagor.

SECTION 11

CONDEMNATION

11.1 Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the entire proceeds of any award and any claim for damages for any of the Mortgaged Property taken or damaged under the power of eminent domain or by condemnation. The Mortgagee may, in its sole discretion, elect: (a) to apply the proceeds of the award or claim upon or in reduction of the Indebtedness, whether due or not; or (b) to make those proceeds available to Mortgagor or any lessee for repair, restoration or rebuilding of the Premises, in the manner and under the conditions that the Mortgagee may require. In any event, the buildings and improvements shall be repaired, restored or rebuilt in accordance with plans and specifications to be submitted to and approved by the Mortgagee. In any case where proceeds are made available for repair, rebuilding or restoration, the proceeds of the award shall be held and paid out in the same manner and under the same conditions provided in Section 10 hereof for the payment of insurance proceeds toward the cost of repair, rebuilding or restoration. Any surplus which may remain out of said award or out of any additional deposit made by Mortgagor after payment of such cost of repair, rebuilding or restoration and the reasonable charges of the Disbursing Party shall, at the option of the Mortgagee, in its sole discretion, be applied on account of the Indebtedness or paid to any party entitled thereto as the same

appear on the records of the Mortgagee. No interest shall be allowed to Mortgagor on account of any proceeds of any award held by the Disbursing Party.

SECTION 12

DUE ON SALE AND FURTHER ENCUMBRANCE:

12.1 Any sale (including a grant of an option to purchase), conveyance, assignment, further encumbrance or other transfer of title to all or any portion of the Mortgaged Property or any interest (legal or equitable, direct or indirect) therein (whether voluntary or by operation of law), without the Mortgagee's prior written consent, shall be an Event of Default hereunder. For the purpose of illustration, and without limiting the generality of the preceding sentence, the occurrence at any time of any of the following events shall be deemed to be an unpermitted transfer of title to the Mortgaged Property and therefore an Event of Default hereunder:

(a) any sale, conveyance, assignment or other transfer of, or the grant of a security interest in, all or any part of the beneficial interest in and to the Trustee 1, or the Trustee 2, or power of direction under the trust agreement with the Trustee 1, or the Trustee 2;

(b) any sale, conveyance, assignment or other transfer of, or the grant of a security interest in, any share of stock of any corporation which is a general partner of either Beneficiary 1 or Beneficiary 2 or of any corporation directly or indirectly controlling such general partner corporation of either Beneficiary 1 or Beneficiary 2;

(c) any sale, conveyance, assignment, or other transfer of, or the grant of a security interest in, any general partnership interest in either Beneficiary 1 or Beneficiary 2; and

(d) the failure of Thomas M. Graham and Horn Chen to together own and be entitled to at least a fifty-one percent (51%) interest in each of Beneficiary 1's and Beneficiary 2's cash flow, profits, and losses (subject to any special allocation of losses).

12.2 Any consent by the Mortgagee, or any waiver of an Event of Default, under this Section shall not constitute a consent to, or waiver of any right, remedy or power of the Mortgagee upon, a subsequent Event of Default under this Section.

SECTION 13

STAMP TAX; EFFECT OF CHANGES
IN LAWS REGARDING TAXATION:

13.1 If, by the laws of the United States of America or of any state or subdivision thereof having jurisdiction over the Mortgagor, any tax is due or becomes due in respect of the issuance of the Note or the recording of this Mortgage or any of the Other Agreements, the Mortgagor covenants and agrees to pay such tax in the manner required by any such law. The Mortgagor further covenants to reimburse the Mortgagee for any sums which Mortgagee may expend by reason of the imposition of any tax on the issuance of the Note.

13.2 In the event of the enactment, after this date, of any law, statute, rule or regulation of the state in which the Premises are located deducting from the value of the land for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes, assessments, charges 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 Mortgagee's interest in the Premises or any other portion of the Mortgaged Property, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby or the holder thereof, then, and in any such event, the Mortgagor, upon demand by the Mortgagee, shall pay such taxes or assessments or reimburse the Mortgagee therefor; provided, however, that if in the opinion of counsel for the Mortgagee: (a) it might be unlawful to require Mortgagor to make such payment; or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law; then and in any such event, the Mortgagee may elect, by notice in writing given to the Mortgagor, to declare all of the Indebtedness to be and become due and payable sixty (60) days from the giving of such notice.

SECTION 14

LEASE ASSIGNMENT:

14.1 As additional security for the payment of the Note and for the faithful performance of the terms and conditions contained herein, Trustee 1, Trustee 2, Beneficiary 1, and Beneficiary 2 each hereby assign to the Mortgagee all of their right, title and interest as landlords in and to the Leases. All Leases are subject to the approval of the Mortgagee as to form, content and tenant(s).

14.2 Trustee 1, Trustee 2, Beneficiary 1, and Beneficiary 2 each will not, without Mortgagee's prior written consent: (i) execute any assignment or pledge of any rents or any Leases except an assignment or pledge securing the Indebtedness; or (ii) accept any payment of any installment of rent more than thirty (30) days before the due date thereof; or (iii) make any Lease except for actual occupancy by the tenant thereunder.

14.3 Mortgagor at its sole cost and expense will: (i) at all times promptly and faithfully abide by, discharge and perform all of the covenants, conditions and agreements contained in all Leases, on the part of the landlord thereunder to be kept and performed; (ii) enforce or secure the performance of all of the covenants, conditions and agreements of the Leases on the part of the tenants to be kept and performed, but none of Trustee 1, Trustee 2, Beneficiary 1, and Beneficiary 2 shall enter into, modify, amend, cancel, terminate or accept surrender of any Lease without the prior written consent of Mortgagee; (iii) appear in and defend any action or proceeding arising under, growing out of or in any manner connected with the Leases or the obligations, duties or liabilities of landlord or of any tenants thereunder; (iv) transfer and assign or cause to be separately transferred and assigned to Mortgagee, upon written request of Mortgagee, any Lease or Leases heretofore or hereafter entered into, and make, execute and deliver to Mortgagee upon demand, any and all instruments required to effectuate said assignment; (v) furnish Mortgagee, within ten (10) days after a request by Mortgagee so to do, a written statement containing the names of all tenants and the terms of all Leases, including the spaces occupied and the rentals payable thereunder; and (vi) exercise within five (5) days of any demand therefor by Mortgagee any right to request from the tenant under any Lease a certificate with respect to the status thereof.

14.4 Nothing in the Note, this Mortgage or in the Other Agreements, shall be construed to obligate Mortgagee, expressly or by implication, to perform any of the covenants of any landlord under any of the Leases assigned to Mortgagee or to pay any sum of money or damages therein provided to be paid by the landlord, each and all of which covenants and payments Mortgagor agrees to perform and pay or cause to be performed and paid.

14.5 At the option of the Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in eminent domain), to any one or more Leases, upon the execution by Mortgagee and recording or registration thereof, at any time hereafter, in the office wherein this Mortgage was registered or filed for record, of a unilateral declaration to that effect.

14.6 Each tenant under each Lease shall, at the option of the Mortgagee, agree to attorn to the Mortgagee or to any other person succeeding to the interest of landlord as a result of any enforcement by Mortgagee of any remedy provided by law or herein upon an Event of Default hereunder, and shall agree to recognize the Mortgagee or such successor in interest as landlord under such Lease without change in the amount of rent or other provisions thereof; provided, however, that the Mortgagee or other successor in interest shall not be bound by any payment of rent or additional rent for more than one month in advance or any amendment of or modification to any Lease made without the consent of the Mortgagee or other successor in interest. Each tenant, upon request by Mortgagee or other successor in interest, shall execute and deliver an instrument or instruments confirming such agreements and attornment.

14.7 Mortgagee shall have the option to declare an Event of Default under this Mortgage because of a material default of landlord in any Lease, whether or not such default is cured by Mortgagee pursuant to any right granted therein.

SECTION 15

MORTGAGOR AND LIEN NOT RELEASED:

15.1 From time to time Mortgagee may, at Mortgagee's option, without giving notice to or obtaining the consent of Mortgagor or Mortgagor's successors or assigns or the consent of any junior lien holder, guarantor or tenant, without liability on Mortgagee's part and notwithstanding Mortgagor's breach of any covenant, agreement or condition of Mortgagor contained in this Mortgage: (a) release anyone primarily or secondarily liable on any of the Indebtedness; (b) accept a renewal note or notes therefor; (c) release from the lien of this Mortgage any part of the Mortgaged Property; (d) take or release other or additional security for the Indebtedness; (e) consent to any plat, map or plan of the Premises; (f) consent to the granting of any easement; (g) join in any extension or subordination agreement; (h) agree in writing with Mortgagor to modify the rate of interest or period of amortization of the Note or change the time of payment or the amount of the monthly installments payable thereunder; and (i) waive or fail to exercise any right, power or remedy granted by law or herein or in any other instrument given at any time to evidence or secure the payment of the Indebtedness.

15.2 Any actions taken by Mortgagee pursuant to the terms of this Section 15 shall not impair or affect: (a) the obligation of Mortgagor or Mortgagor's successors or assigns to pay any sums at any time secured by this Mortgage and to observe

all of the covenants, agreements and conditions herein contained; (b) the guaranty of any individual or legal entity for payment of the Indebtedness; and (c) the lien or priority of the lien hereof against the Mortgaged Property.

15.3 Mortgagor shall pay to Mortgagee a reasonable service charge, and such title insurance premiums and attorneys' fees as may be incurred by Mortgagee for any action described in this Section 15 taken at the request of Mortgagor or of its beneficiary or beneficiaries.

SECTION 16

ENVIRONMENTAL MATTERS

16.1 Except as otherwise expressly set forth in the Commitment, the Mortgagor hereby represents, warranties and covenants to Mortgagee that:

(a) The Mortgaged Property and the use and operation thereof, are currently in compliance, and will remain in compliance, with all applicable federal, state and local laws, regulations, ordinances and requirements relating to health and safety, and protection of the environment.

(b) The Mortgaged Property has never been used for the generation, transportation, treatment, storage or disposal of Petroleum (as hereinafter defined) or any Hazardous Substance (as hereinafter defined), does not contain such materials, and will not contain such materials. "Hazardous Substance(s)" for purposes of this Mortgage shall include, without limitation, hazardous substances or hazardous wastes, as those terms are defined by the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sec. 9601 et. seq., the Resource Conservation and Recovery Act, 42 U.S.C. Sec. 9601 et. seq., and any other applicable federal or state law, regulation, ordinance or requirement, all as amended or hereafter amended. "Petroleum" for purposes of this Mortgage shall include, without limitation, crude oil or any fraction thereof which is liquid at standard conditions of temperature or pressure.

(c) The Mortgagor has not been subject to, or received any notice of, any administrative or judicial action, or notice of any intended administrative or judicial action, relating to the presence or alleged presence of Petroleum or Hazardous Substances in, under, or upon the Mortgaged Property and does not know and has no reason to know of any basis for any such notice or action with respect to the Mortgaged Property. The Mortgagor shall

protect, defend, indemnify and hold the Mortgagee harmless from and against all loss, cost (including attorneys' fees), liability and damage whatsoever because of or in any way resulting from any violation or claimed violation of any of the covenants or agreements set forth in this Section or any applicable federal, state or local laws, regulations, ordinances and requirements relating to health and safety, and protection of the environment which occurs upon the Mortgaged Property, or by reason of the imposition of any lien for the recovery of environmental cleanup costs expended on the Mortgaged Property without regard to fault on the part of the Mortgagor. The Mortgagee may, from time to time, at its sole discretion have a consultant of its own choosing perform all necessary investigations of the Mortgaged Property, if such investigation concludes that no Hazardous Substances or Petroleum are found on the Mortgaged Property which are in violation of any federal or state law or regulation, such investigation shall be paid for by Mortgagee, and in all other cases such investigation shall be paid for by Mortgagor;

(d) There are no pending or, to the knowledge of the Mortgagor, threatened actions or proceedings (or notices of potential actions or proceedings) from any governmental agency or any other entity regarding any environmental, health or safety law, waste disposal, lien or other proceedings what would affect or impair the value or usefulness of the Mortgaged Property. The Mortgagor will promptly notify the Mortgagee of any notices, or any pending or threatened action or proceeding in the future, and the Mortgagor will promptly cure and have dismissed without prejudice any such actions and proceedings to the satisfaction of the Mortgagee;

(e) Mortgagee will promptly notify Mortgagor if Mortgagee has knowledge or notice that Hazardous Substances or toxic substances or wastes are located on or beneath the surface of parcels of real estate adjacent to the Mortgaged Property;

(f) The business and all operations conducted on the Mortgaged Property have and will lawfully dispose of their wastes;

(g) The Mortgagor assumes all obligations of compliance with all environmental requirements imposed by federal, state and local authorities that affect the Mortgaged Property or any business or other activity conducted thereon or therewith. Any fees, costs and expenses imposed upon or incurred by the Mortgagee at any time and from time to time on account of any breach of any of the covenants, representations or warranties contained in this Section shall be immediately due and payable by the Mortgagor to the Mortgagee upon demand for reimbursement for same, and shall (together with interest thereon at the default rate contained in the Note accruing from the date such fees, costs and expenses are

so imposed upon or incurred by the Mortgagee) become part of the Indebtedness secured by this Mortgage. The Mortgagor hereby covenants and agrees to protect, defend, indemnify and hold the Mortgagee harmless from any and all such costs and expenses.

SECTION 17

FURNISHING OF FINANCIAL STATEMENTS TO MORTGAGEE:

17.1 Beneficiary 1 and Beneficiary 2 each covenant and agree that it will keep and maintain books and records of account in which full, true and correct entries shall be made of all dealings and transactions relative to the Mortgaged Property, which books and records of account shall, at reasonable times and on reasonable notice, be open for inspection (and copying) by the Mortgagee, its accountants, and other duly authorized representatives. Such books and record of account shall be kept and maintained in accordance with generally accepted accounting principles consistently applied.

17.2 Mortgagor covenants and agrees to furnish to the Mortgagee, within fifteen (15) days after the end of each fiscal quarter hereafter of the operations of the improvements on the Premises: (a) a quarterly operating statement of income and expenses for the Mortgaged Property; and (b) a rent roll for the quarter just ended, to be certified by a general partner of both Beneficiary 1 and Beneficiary 2 satisfactory to the Mortgagee, including a balance sheet and supporting schedules and containing a detailed statement of income and expenses. Each such certification shall state that those statements are true, correct and complete.

17.3 Mortgagor covenants and agrees to furnish to the Mortgagee within sixty (60) days of the end of every fiscal year applicable to Mortgagor, an annual balance sheet and financial statement of both Beneficiary 1 and Beneficiary 2 and each general partner of Beneficiary 1 and Beneficiary 2. Each such statement shall be certified as true, correct and complete by a general partner of Beneficiary 1 or Beneficiary 2, as applicable.

17.4 If Mortgagor fails to furnish promptly any report required by Sections 17.2 and 17.3 hereof, or if Mortgagee deems such reports to be unacceptable, then after Mortgagee has given Beneficiary 1 and Beneficiary 2 notice that such reports have not been furnished and/or are unacceptable and such default is not cured within fifteen (15) days of Beneficiary 1's and Beneficiary 2's receipt of such notice, Mortgagee may elect (in addition to exercising any other right, remedy and power) to make an audit of all books and records of Beneficiary 1 and/or Beneficiary 2 and/or any or all of either of their general partners which in any way

pertain to the Mortgaged Property and to prepare the statement or statements which Mortgagor failed to procure and deliver or which were unacceptable. Such audit shall be made and such statement or statements shall be prepared by an independent Certified Public Accountant to be selected by the Mortgagee. Mortgagor shall pay all expenses of the audit and other services which expenses shall be secured hereby as additional Indebtedness and shall be immediately due and payable with interest thereon at the rate set forth in the Note applicable to a period when a default exists thereunder.

SECTION 18

MORTGAGEE'S PERFORMANCE OF MORTGAGOR'S OBLIGATIONS:

18.1 In case of any failure by Mortgagor to perform, keep or observe any covenant, agreement or condition required of Mortgagor hereunder (whether or not such failure constitutes an Event of Default hereunder) Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner Mortgagee deems expedient, and may, but need not, 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 Mortgaged Property or contest any tax or assessment or cure any default of any landlord in any Lease or perform the obligations of Mortgagor in Section 16 hereof. 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 in regard to any tax referred to in this Mortgage or to fulfill Mortgagor's obligations under Section 16 hereof or to protect the Mortgaged Property or the lien hereof, shall be so much additional Indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the default rate of interest set forth 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.

SECTION 19

EVENTS OF DEFAULT; ACCELERATION OF INDEBTEDNESS:

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

(a) Failure of Mortgagor to pay, when due or declared due, any of the Indebtedness, including without limitation, any installments of principal or interest or any other amount due under the Note after the expiration of any applicable grace period allowed thereunder, if any; or

(b) Failure of Mortgagor, within thirty (30) days after notice and demand, promptly, fully and faithfully to satisfy, perform, discharge, observe and comply with each and every covenant, warranty, agreement or condition required to be kept or observed by Mortgagor under this Mortgage, other than those set forth in Section 19.1(a) above; or

(c) If a petition under any Chapter of Title 11 of the United States Code or any similar law or regulation is filed by or against Trustee 1, Trustee 2, Beneficiary 1, Beneficiary 2, or any general partner of either Beneficiary 1 or Beneficiary 2 (and in the case of an involuntary petition in bankruptcy, such petition is not discharged within thirty (30) days of its filing), or a custodian, receiver or trustee for any of the Mortgaged Property is appointed, or if Trustee 1, Trustee 2, Beneficiary 1, Beneficiary 2, or any general partner of either Beneficiary 1 or Beneficiary 2 makes an assignment for the benefit of creditors, or if any of them are adjudged insolvent by any state or federal court of competent jurisdiction, or an attachment or execution is levied against any of the Mortgaged Property; or

(d) If a notice of lien, levy or assessment is filed of record with respect to the Mortgaged Property or with respect to all or any of Mortgagor's assets (or the assets of any general partner of either Beneficiary 1 or Beneficiary 2 or any guarantor of the Note) by the United States or any department, agency, including without limitation the Pension Benefit Guaranty Corporation, or if any taxes or debts owing at any time or times hereafter to any one of them becomes a lien or encumbrance upon the Mortgaged Property or any other of Mortgagor's assets (or the assets of any general partner of Beneficiary 1 or Beneficiary 2) and the same is not released within thirty (30) days after the same becomes a lien or encumbrance; or

(e) the occurrence of a default or an Event of Default under any of the Other Agreements; or

(f) if Mortgagor is in default in the payment of any indebtedness (other than the Indebtedness secured hereby) and such default is declared and is not cured within the time, if any, specified therefor in any agreement governing the same; or

(g) if any of the events described in Section 12 hereof shall occur; or

(h) if any material statement, report or certificate made or delivered to Mortgagee by Mortgagor or any general partner of either Beneficiary 1 or Beneficiary 2 or any guarantor of the Note, is not true and correct.

19.2 If an Event of Default shall have occurred, then and in any such event, the whole of the Indebtedness shall at once, at the option of the Mortgagee, become immediately due and payable without notice to Mortgagor.

SECTION 20

ENTRY; FORECLOSURE; EXPENSE OF LITIGATION:

20.1 (a) If an Event of Default shall have occurred and be continuing, Mortgagor, upon demand of Mortgagee, shall forthwith surrender to Mortgagee the actual possession, and if and to the extent permitted by law, Mortgagee itself, or by such officers or agents as it may appoint, may enter and take possession, of all or any part of the Mortgaged Property, and may exclude Mortgagor and its agents and employees wholly therefrom, and may have joint access with Mortgagor to the books, papers and accounts of Mortgagor;

(b) If Mortgagor shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof after such demand by Mortgagee, Mortgagee may obtain a judgment or decree conferring on Mortgagee the right to immediate possession or requiring the delivery to Mortgagee, to the entry of which judgment or decree Mortgagor specifically consents;

(c) Mortgagor will pay to Mortgagee, upon demand, all expenses (including, without limitation, fees and expenses of attorneys, accountants and agents) of obtaining such judgment or decree or of otherwise seeking to enforce its rights under the Note or this Mortgage; and all such expenses shall, until paid, be secured by this Mortgage and shall bear interest at the default rate provided under the Note;

(d) Upon every such entering upon or taking of possession, Mortgagee may hold, store, use, operate, manage and control the Mortgaged Property and conduct the business thereof, 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; (ii) insure and keep the Mortgaged Property insured; (iii) manage and operate the Mortgaged Property and exercise all of the rights and powers of Mortgagor to the same extent as

Mortgagor could in its own name or otherwise with respect to the same; 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 determine to be to its best advantage. Mortgagee may collect and receive all of the rents, issues, profits and revenues of the same, including those past due as well as those accruing thereafter, and, after deducting (aa) all expenses of taking, holding, managing and operating the Mortgaged Property (including compensation for the services of all persons employed for such 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 Mortgaged Property or any part thereof, and (ff) the compensation, expenses and disbursements of the attorneys and agents of Mortgagee, shall apply the remainder of the monies and proceeds so received by Mortgagee as described in Section 21 hereof;

(e) Mortgagee shall have no liability 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.

20.2 When the Indebtedness or any part thereof shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to (a) enforce payment of the Note or the performance of any term, covenant, condition or agreement of Mortgagor hereunder, (b) foreclose the lien hereof for such Indebtedness or part thereof and to sell the Mortgaged Property as an entirety or otherwise, as Mortgagee may determine, and/or (c) pursue any other right or remedy available to it under or by the law and/or decisions of the State in which the Premises is located. In any civil action to foreclose the lien hereof or otherwise enforce Mortgagee's rights, there shall be allowed and included as additional Indebtedness in the order or judgment for foreclosure and sale or other order all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimates as to items to be expended after entry of said order or judgment) or procuring all such abstracts of title, title searches and examination, title insurance policies, Torrens' Certificates and similar data and assurances with respect to the title as Mortgagee may deem reasonably necessary either to prosecute such civil action or to evidence to bidders at any sale which may be had pursuant to such order or judgment the true condition of the title to, or the value of, the Mortgaged Property. All expenditures and expenses of the nature

in this section mentioned and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of this Mortgage, including the fees of any attorneys employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or the Mortgaged Property, including probate, appellate and bankruptcy proceedings, or in preparations for the commencement or defense of any action or proceeding or threatened action or proceeding, shall be immediately due and payable to Mortgagor, with interest thereon at the default rate set forth in the Note, and shall be secured by this Mortgage.

20.3 After the occurrence of an Event of Default, Mortgagee shall have the right and option to commence a civil action to foreclose the lien of this Mortgage and to obtain an order or judgment of foreclosure and sale subject to the rights of any tenant or tenants of the Mortgaged Property. The failure to join any tenant or tenants of the Mortgaged Property as party defendant or defendants in any such civil action or the failure of any such order or judgment to foreclose their rights shall not be asserted by the Mortgagor as a defense in any civil action instituted to collect the Indebtedness secured hereby, or any part thereof, or any deficiency remaining unpaid after foreclosure and sale of the Mortgaged Property, any statute or rule of law at any time existing to the contrary notwithstanding.

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

SECTION 21

APPLICATION OF PROCEEDS OF FORECLOSURE SALE:

21.1 The proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied, at Mortgagee's option, in the following order of priority: first, on account of all costs and expenses incident to the foreclosure and other enforcement proceedings, including all such items as are mentioned in the preceding Section hereof; second, all other items which may under the terms hereof constitute secured Indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the Note; and fourth, any excess to any party entitled thereto as their rights may appear.

SECTION 22

APPOINTMENT OF RECEIVER OR MORTGAGEE IN POSSESSION:

22.1 If an Event of Default shall have occurred and be continuing and/or if Mortgagee shall have accelerated the Indebtedness, Mortgagee, upon application to a court of competent jurisdiction, shall be entitled as a matter of strict right without notice and without regard to the occupancy or value of any security for the Indebtedness or the insolvency of any party bound for its payment to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the rents, issues, profits and revenues thereof. The receiver shall have all of the rights and powers to the fullest extent permitted by law. Mortgagor will pay to Mortgagee upon demand (with interest thereon at the default rate contained in the Note) all expenses, including receiver's fees, attorneys' fees, costs and agent's compensation, incurred pursuant to the provisions of this Section; and all such expenses shall be secured by this Mortgage and shall bear interest at the default rate contained in the Note.

SECTION 23

RIGHTS UNDER UNIFORM COMMERCIAL CODE

23.1 Upon the occurrence of an Event of Default under this Mortgage, the Mortgagee, pursuant to the appropriate provisions of the Code, shall have an option to proceed with respect to both the real property portion of the Mortgaged Property and the Collateral in accordance with its rights, powers and remedies with respect to such real property, in which event the default provisions of the Code shall not apply. The parties agree that if the Mortgagee shall elect to proceed with respect to the Collateral separately from such real property, five (5) days notice of the sale of the Collateral shall be reasonable notice. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by the Mortgagee shall include, but not be limited to, reasonable attorneys' fees and legal expenses incurred by Mortgagee.

SECTION 24

RIGHTS CUMULATIVE:

24.1 Each right, power and remedy conferred upon the Mortgagee by this Mortgage and by all other documents evidencing or securing the Indebtedness and conferred by law and in equity is cumulative and in addition to every other right, power and remedy,

[illegible]

[illegible]

SECTION [illegible]

[illegible]

[illegible]

SECTION [illegible]

[illegible]

[illegible]

SECTION [illegible]

express or implied, given now or hereafter existing, at law and in equity; and each and every right, power and remedy herein or therein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the Mortgagee; and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy; and no delay or omission of, or discontinuance by, the Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

SECTION 25

RELEASE UPON PAYMENT AND DISCHARGE
OF MORTGAGOR'S OBLIGATIONS:

25.1 Mortgagee shall release this Mortgage and the lien hereof by proper instrument upon payment and discharge of all Indebtedness secured hereby (including any prepayment charges and late charges provided for herein or in the Note) and upon payment of a reasonable fee to Mortgagee for the execution of such proper instrument.

SECTION 26

GIVING OF NOTICE:

26.1 Any notice which either party hereto may desire or be required to give to the other party shall be in writing and shall be deemed to have been properly served when delivered in person, or shall be deemed to have been properly served: (a) three (3) days after being mailed by certified mail, return receipt requested, postage prepaid, or (b) one (1) day after being sent by Federal Express or Airborne overnight delivery and addressed to the Mortgagor or to the Mortgagee, as the case may be, at the respective addresses set forth below or at such other place as any party hereto may by notice in writing designate as a place for service of notice:

If to Mortgagee: Heller Financial, Inc.
9th Floor - Real Estate Financial Services
200 N. LaSalle Street
Chicago, Illinois 60601
Attn: Manager, Loan Administration/Credit

with a copy to: Heller Financial, Inc.
9th Floor - Real Estate Financial Services
200 N. LaSalle Street
Chicago, Illinois 60601
Attn: Chief Legal Officer

with a copy to: Katten Muchin & Zavis
525 W. Monroe, Suite 1600
Chicago, Illinois 60606
Attn: Vincent A.F. Sergi, Esq.
Gregory P.L. Pierce, Esq.

If to Mortgagor: Fine Arts Venture, Limited Partnership
410 South Michigan Avenue
Chicago, Illinois 60605
Attn: Mr. Thomas Graham

and

Musical Arts Venture
410 South Michigan Avenue
Chicago, Illinois 60605
Attn: Mr. Thomas Graham

with a copy to: Lester Jay Rosen, Esq.
108 Wilmont Road, Suite 210
Deerfield, Illinois 60015

SECTION 27

WAIVERS:

27.1 No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note.

27.2 Mortgagor shall not and will not apply for or avail itself of any appraisement, 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 the lien of this Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under each of them, waives any and all right to have the property and estates comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. Mortgagor does hereby expressly waive any and all rights of redemption from sale under

any order or judgment of foreclosure of the lien of this Mortgage on behalf of the Mortgagor, the trust estates and all persons beneficially interested therein and each and every person, except judgment creditors of the Mortgagor in its representative capacity and of the trust estates, acquiring any interest in or title to the Premises subsequent to the date of this Mortgage.

27.3 No delay or omission of Mortgagee or of any holder of the Note to exercise any right, power or remedy accruing upon the occurrence of any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such Event of 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 expedient by Mortgagee. No consent or waiver, expressed or implied, by Mortgagee to or of any breach or default by 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 any other obligations of Mortgagor hereunder. Failure on the part of Mortgagee to complain of any act or failure to act or to declare 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, powers or remedies on account of any breach or default by Mortgagor.

27.4 If Mortgagee: (a) grants forbearance of any extension of time for the payment of any sums secured hereby; (b) takes other or additional security for the payment of any sums secured hereby; (c) waives or does not exercise any right granted herein or in the Note or in any other document or instrument securing the Note; (d) releases with or without consideration any of the Mortgaged Property from the lien of this Mortgage or any other security for the payment of the Indebtedness; (e) changes any of the terms, covenants, conditions or agreements of the Note or this Mortgage or in any other document or instrument securing the Note; (f) consents to the filing of any map, plat or replat or condominium declaration affecting the Mortgaged Property; (g) consents to the granting of any easement or other right affecting the Mortgaged Property; or (h) makes or consents to any agreement subordinating the lien hereof; any such act or omission shall not release, discharge, modify, change or affect (except to the extent of the changes referred to in clause (e) above) the original liability under the Note, this Mortgage or any other obligation of Mortgagor or any subsequent purchaser of the Mortgaged Property or any part thereof, or any maker, cosigner, endorser, surety or guarantors; nor shall any such act or omission preclude Mortgagee from exercising any right, power or privilege herein granted or intended to be granted in the event of any default then made or of any subsequent default, nor, except as otherwise expressly

provided in an instrument or instruments executed by Mortgagee, shall the lien of this Mortgage or the priority thereof be altered thereby, whether or not there are junior lienors and whether or not they consent to any of the foregoing. In the event of the sale or transfer, by operation of law or otherwise, of all or any part of the Mortgaged Property, Mortgagee, without notice, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Mortgaged Property or the Indebtedness, or with reference to any of the terms, covenants, conditions or agreements hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any liabilities, obligations or undertakings. The foregoing shall not limit the prohibition against such sale or transfer as set forth in Section 12 hereof.

SECTION 28

FILING AND RECORDING CHARGES AND TAXES:

28.1 Mortgagor will pay all filing, registration, recording and search and information fees, and all expenses incident to the execution and acknowledgement of this Mortgage and all other documents securing the Note and all federal, state, county and municipal taxes, other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution, delivery, filing, recording or registration of the Note, this Mortgage and all other documents securing the Note and all assignments thereof.

SECTION 29

BUSINESS PURPOSE; USURY EXEMPTION:

29.1 Beneficiary 1 and Beneficiary 2 each hereby represent and warrant that the proceeds of the loan secured by this Mortgage will be used for the purposes specified in Section 6404 of Chapter 17 of the Illinois Revised Statutes (or any substitute amended or replacement statutes), and that the principal obligation secured hereby constitutes a "business loan" transacted solely for the purpose of carrying on or acquiring the business of Beneficiary 1 and Beneficiary 2 which comes within the purview and operation of said paragraph.

SECTION 30

MISCELLANEOUS:

30.1 This Mortgage and all provisions hereof shall extend to and be binding upon the original Mortgagor, and each of them, named on page 1 hereof and their respective successors, grantees, assigns, each subsequent owner or owners of the Mortgaged Property and all persons claiming under or through Mortgagor; and the word "Mortgagor" when used herein shall include all parties defined as Mortgagor on page 1 hereof and all such persons and all persons primarily and secondarily liable for the payment of the Indebtedness or any part thereof, whether or not such persons shall have executed the Note or this Mortgage.

30.2 Release of Previous Holder: The word "Mortgagee" when used herein shall include the successors and assigns of the original Mortgagee named on page 1 hereof, and the holder or holders, from time to time, of the Note. However, whenever the Note is sold, each prior holder shall be automatically freed and relieved, on and after the date of such sale, of all liability with respect to the performance of each covenant and obligation of Mortgagee hereunder thereafter to be performed, provided that any monies in which the Mortgagor has an interest, which monies are then held by the seller of the Note, are turned over to the purchaser of the Note.

30.3 Severability and Applicable Law: In the event one or more of the provisions contained in this Mortgage or in the Note or in any other document given at any time to secure the payment of the Note shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Mortgagee, not affect any other provision of this Mortgage, the Note or other document and this Mortgage, the Note or other document shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein. The validity and interpretation of this Mortgage and the Note it secures are to be construed in accordance with and governed by the laws of the State in which the Premises are situated.

30.4 Governmental Compliance: Mortgagor shall not by act or omission permit any lands or improvements not subject to the lien of this Mortgage to include the Mortgaged Property or any part thereof in fulfillment of any governmental requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Mortgaged Property to be so used. Similarly, no lands or improvements comprising the Mortgaged Property shall be included with any lands or

improvements not subject to the lien of this Mortgage in fulfillment of any governmental requirement. Mortgagor shall not by act or omission impair the integrity of the Premises as a single zoning lot separate and apart from all other premises. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this Section 30.4 shall be void.

30.5 Estoppel Certificate: Mortgagor, within fifteen (15) days after mailing of a written request by the Mortgagee, agrees to furnish from time to time a signed statement setting forth the amount of Indebtedness and whether or not any default, offset or defense then is alleged to exist against the Indebtedness and, if so, specifying the nature thereof.

30.6 Evasion of Prepayment Premium: If maturity of the Indebtedness is accelerated by the Mortgagee because of the occurrence of an Event of Default, as herein provided, and a tender of payment is made by or on behalf of the Mortgagor in an amount necessary to satisfy the principal Indebtedness at any time prior to judicial confirmation of foreclosure sale, such tender shall constitute an evasion of the prepayment premium provided for in the Note and shall be treated as a prepayment thereunder. Any such tender must therefore include the prepayment premium (if any) required under the prepayment privilege (if any) contained in the Note.

30.7 Regulation G: Mortgagor covenants that the proceeds evidenced by the Note secured hereby will not be used for the purchase or carrying of registered equity securities within the purview and operation of Regulation G issued by the Board of Governors of the Federal Reserve System or for the purpose of releasing or retiring any indebtedness which was originally incurred for any such purpose.

30.8 Management: Mortgagor further covenants and agrees that all agreements to manage the Mortgaged Property: (i) shall provide that the obligation to pay any amount thereunder will not be enforceable against any party other than the party who entered into such agreement; (ii) shall provide that such agreement, together with any and all liens and claims for lien that any manager or other person or entity performing the duties of a manger thereunder has or may thereafter have thereunder or for managing the Mortgaged Property or any part thereof, shall be in all respect subordinate to the lien of this Mortgage; and (iii) shall not be enforceable against Mortgagee. Mortgagor shall furnish Mortgagee with evidence of the foregoing which is in all respect satisfactory to Mortgagee.

30.9 Leasing Commissions: Mortgagor covenants and agrees that all agreements to pay leasing commissions: (i) shall provide that the obligation to pay such commissions will not be enforceable against any party other than the party who entered into such agreement; (ii) shall be subordinate to the lien of this Mortgage; and (iii) shall not be enforceable against Mortgagee. Mortgagor shall furnish Mortgagee with evidence of the foregoing which is in all respects satisfactory to Mortgagee.

30.10 Mortgagor hereby covenants and agrees that no excavation, construction, earth work, site work or any other mechanic's lienable work shall be done to or for the benefit of the Mortgaged Property, without Mortgagee's prior written approval; provided, however, that tenant improvements and normal repair and maintenance in the ordinary course of business do not require Mortgagee's prior written approval.

30.11 Covenants Run With Land: All the covenants contained in this Mortgage will run with the land. Time is of the essence of this Mortgage and all provisions herein relating thereto shall be strictly enforced.

30.12 Joint and Several Liability: The representations, warranties, covenants, and obligations of Mortgagor contained herein are the joint and several representations, warranties, covenants, and obligations of each of Trust 1, Trust 2, Beneficiary 1 and Beneficiary 2.

SECTION 31

LIEN FOR LOAN COMMISSIONS,
SERVICE CHARGES AND THE LIKE:

31.1 So long as the original Mortgagee named on page 1 hereof is the owner of the Note, and regardless of whether any proceeds of the loan evidenced by the Note have been disbursed, this Mortgage also secures the payment of all loan commissions, service charges, liquidated damages, expenses and advances due to or incurred by the Mortgagee in connection with the loan transaction intended to be secured hereby.

SECTION 32

EXCULPATORY CLAUSE:

32.1 This Mortgage is executed by the Trustee 1 and Trustee 2, not personally, but as Trustee 1 and Trustee 2 as aforesaid in the exercise of the power and authority conferred

upon and vested in it as each such trustee respectively (and Trustee 1 and Trustee 2 hereby respectively warrant that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing contained herein or in the Note shall be construed as creating any liability on the Trustee 1 and Trustee 2 personally to pay the Note or any interest, late charge or premium that may accrue thereon, or any Indebtedness secured by this Mortgage, or to perform any covenant, either express or implied herein contained, all such liability, if any, being expressly waived by Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as Trustee 1 and Trustee 2 personally are concerned, the legal holder or holders of the Note and the owner or owners of any Indebtedness secured hereby shall look solely to the Premises and Collateral hereby mortgaged, conveyed and assigned and to any other security given at any time to secure the payment thereof.

32.2 Notwithstanding anything to the contrary which may be contained herein, Beneficiary 1 and Beneficiary 2 shall not be personally liable by reason of any default in the payment of the Indebtedness or the performance of any of Mortgagor's obligations hereunder (except as set forth in Section 16.2(d) hereof and that after the occurrence of any Event of Default described in Section 19.1(a) hereunder or after acceleration of the Indebtedness, Beneficiary 1 and Beneficiary 2 shall be personally liable for the Indebtedness to the extent of all gross income from the Mortgaged Property after Mortgagee declares such a monetary default, or so accelerates the Indebtedness, which is not applied in payment of the Indebtedness or expended in connection with the operation of the Mortgaged Property in the ordinary course of business), and Mortgagee agrees to look solely to the Mortgaged Property and to any other collateral heretofore, now or hereafter pledged by Mortgagor or any other party for the payment of the Indebtedness; provided, however, that nothing contained in this paragraph shall: (i) limit or be construed to limit or impair the enforcement against the Mortgaged Property and/or any other security so mortgaged and/or pledged of any of the rights and remedies of Mortgagee under the Note, this Mortgage or the Other Agreements; or (ii) release Mortgagor or any other party from any personal liability arising under Section 16 of this Mortgage or release Beneficiary 1 and Beneficiary 2, or any of their respective general partners, from personal liability for any and all losses, costs, or damages incurred by Mortgagee due to a material misrepresentation, fraud or breach of trust from misapplication of trust funds (such as insurance proceeds or condemnation awards) which may come into the possession of Mortgagor or arising from intentional or material waste to the Mortgaged Property.

*MORTGAGOR/TRUSTEE #252 ** 100870 and 106648

It is further agreed by the parties hereto that whenever and wherever the provisions of this MORTGAGE contains any reference to the right of the MORTGAGEE to be indemnified, saved harmless, or reimbursed by MORTGAGOR * for any costs, claims, loss, fines, penalties, damages or expenses of any nature, including without limitation, attorney's fees, arising in any way out of the execution of this instrument or the relationship of MORTGAGOR*/ MORTGAGEE under this instrument, then such obligation, if any, on the part of the MORTGAGOR* shall be construed to be only a right of reimbursement in favor of MORTGAGEE out of the trust estate held under Trust No. ** , from time to time, so far as the same may reach; and in no case shall any claim of liability or right of reimbursement be asserted against the LaSalle National Bank individually, all such personal liability, if any, being hereby expressly waived; and this agreement shall extend to and inure for the benefit of the parties hereto, their respective successors and assigns and all parties claiming by, through and under them. In event of conflict between the terms of this rider and of the MORTGAGE to which it is attached, or any question of apparent or claimed liability or obligation resting upon the said Trustee, the exculpatory provisions of the rider shall be controlling.

87677220

IN WITNESS WHEREOF, the Mortgagor has executed this instrument as of the day and year first above written.

...'s Exoneration Rider Attached Hereto And Made A Part Hereof

LaSalle National Bank, not personally, but as Trustee of Trust No. 106648, as aforesaid

ATTEST: _____ By: _____

Its: ASSISTANT SECRETARY Its: Assistant Vice President

LaSalle National Bank, not personally, but as Trustee of Trust No. 100870, as aforesaid

ATTEST: _____ By: _____

ts: ASSISTANT SECRETARY Its: Assistant Vice President

Fine Arts Venture, Limited Partnership, an Illinois limited partnership

By: _____
Horn Chen

By: _____
Thomas Graham

Being all of its general partners

8 7 6 7 7 2 2 0

Musical Arts Venture, an Illinois general partnership

By: _____
Ann Jean Chen

By: _____
Thomas Graham

By: Fountainbleau-Cambridge Venture

By: _____
Name: _____
Its: General Partner

Being all of its general partners

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Evelyn F. Moore, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Corrine Bok, Assistant Vice President of LaSalle National Bank, a national banking association, not personally but as Trustee under Trust Agreement dated July 1, 1983 and known as Trust No. 106648 and Rita Slimm Wolter, ASSISTANT SECRETARY of said Bank who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Assistant 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 act and as the free and voluntary act of said Bank, as Trustee, for the uses and purposes therein set forth; and the said ASSISTANT SECRETARY then and there acknowledged that (he/she), as custodian of the corporate seal of said Bank, caused the corporate seal of said Bank to be affixed to said instrument as the free and voluntary act of said Bank, as Trustee, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 8th day of December, 1987.

Evelyn F. Moore
Notary Public

My Commission Expires:

8-9-88

87677220 SS101236

COUNTY OF COOK)
) SS
STATE OF ILLINOIS)

87677220

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Evelyn F. Moore, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Corinne Bek Assistant Vice President of LaSalle National Bank, a national banking association, not personally but as Trustee under Trust Agreement dated April 1, 1979 and known as Trust No. 100870 and Rita Slimm Welter, ASSISTANT SECRETARY of said Bank who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Assistant 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 act and as the free and voluntary act of said Bank, as Trustee, for the uses and purposes therein set forth; and the said ASSISTANT SECRETARY then and there acknowledged that (he/she), as custodian of the corporate seal of said Bank, caused the corporate seal of said Bank to be affixed to said instrument as the free and voluntary act of said Bank, as Trustee, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 8th day of December, 1987.

Evelyn F. Moore
Notary Public

My Commission Expires:

8-9-89

88101236

87677220

87677220

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Lester Jay Rosen, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Horn Chen, the general partner of Fine Arts Venture, Limited Partnership, an Illinois limited partnership, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such general partner, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said limited partnership, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 8th day of December, 1987.

Notary Public

My Commission Expires:

" OFFICIAL SEAL "
LESTER JAY ROSEN
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 12/4/90

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Lester Jay Rosen, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Thomas Graham, the general partner of Fine Arts Venture, Limited Partnership, an Illinois limited partnership, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such general partner, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said limited partnership, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 8th day of December, 1987.

Notary Public

My Commission Expires:

" OFFICIAL SEAL "
LESTER JAY ROSEN
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 12/4/90

88101236

87677220

87677220

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Hassan Rizal, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Ann Jean Chen, the general partner of Musical Arts Venture, an Illinois general partnership, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such general partner, appeared before me this day in person and acknowledged that she signed and delivered the said instrument as her own free and voluntary act and as the free and voluntary act of said limited partnership, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 8th day of December, 1987.

Hassan Rizal
Notary Public

My Commission Expires:

February 1, 1989

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Lester Jay Rosen, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Thomas Graham, the general partner of Musical Arts Venture, an Illinois general partnership, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such general partner, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said limited partnership, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 14th day of December, 1987.

Lester Jay Rosen
Notary Public

My Commission Expires:

" OFFICIAL SEAL "
LESTER JAY ROSEN
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 12/4/90

87677220

87101236

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Theresa Rosel, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Ara Tom Cur who is a general partner in Fountainbleau-Cambridge Venture, the general partner of Musical Arts Venture, an Illinois general partnership, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such general partner of such general partner, appeared before me this day in person and acknowledged that (he/she) signed and delivered the said instrument as (his/her) own free and voluntary act and as the free and voluntary act of said partnerships, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 8th day of November, 1987. December

Theresa Rosel
Notary Public

My Commission Expires:
February 10, 1989

87677220

88101236

EXHIBIT A-1

LEGAL DESCRIPTION

PARCEL 1:
THE SOUTH 20 FEET OF LOT 9 (EXCEPT THE EAST 10 FEET) OF ASSESSOR'S DIVISION OF LOTS 1 TO 5 AND 8 IN BLOCK 9 IN FRACTIONAL SECTION 15, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

DISTRICT WORKING IN COOK COUNTY, ILLINOIS
RELATION TO ADVANCE AS NORTH LAKE [illegible]
WITHDRAWAL DIVISION OF THE [illegible]
[illegible] BASED ON [illegible]
PURSUANT TO

PROPOSED DISTRICT

EXHIBIT B-1

EXHIBIT A-2

LEGAL DESCRIPTION

PARCEL 2:
LOTS 13, 14, 15, 16, AND 17 IN ASSESSOR'S DIVISION OF LOTS 1, 2, 3, 4, 5 AND 8 IN BLOCK 9 IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO, IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.
PARCEL 3:
AN EASEMENT FOR THE BENEFIT OF LOTS 14, 15, 16, AND 17 OF PARCEL 2 AND THE OWNERS THEREOF FOR INGRESS AND EGRESS ALONG AND OVER A PRIVATE ALLEY OR DRIVEWAY OVER THE NORTH 15 FEET OF LOTS 18 AND 19 (EXCEPT THAT PART OF LOT 19 LYING WEST OF THE EAST 169 FEET THEREOF) IN THE ASSESSOR'S DIVISION OF LOTS 1, 2, 3, 4, 5 AND 8 IN BLOCK 9 IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO IN TOWNSHIP 39 NORTH, RANGE 14 HEREINAFTER REFERRED TO AS THE SERVIENT ESTATE INCLUDING THE RIGHT TO USE ALL ENTRANCES AND EXITS OF THE BUILDING MAINLY ON PARCEL 2 FOR INGRESS AND EGRESS FROM SAID BUILDING TO SAID ALLEY TOGETHER WITH THE RIGHT TO MAINTAIN ON THE SERVIENT ESTATE SUCH PART, IF ANY TO WALLS AND FOUNDATIONS, OF THE BUILDING LOCATED MAINLY ON PARCEL 2 AS MAY AT THE DATE HEREOF ENCROACH THE SERVIENT ESTATE AS PROVIDED IN AN INSTRUMENT EXECUTED BY THE LASALLE NATIONAL BANK, A NATIONAL BANKING ASSOCIATION, AS TRUSTEE UNDER TRUST AGREEMENT DATED MAY 1, 1945 AND KNOWN AS TRUST NUMBER 10693 AND THE ROOSEVELT COLLEGE OF CHICAGO, AN ILLINOIS CORPORATION DATED FEBRUARY 27, 1947 AND RECORDED AS DOCUMENT NO. 14005610 IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS, ALL IN COOK COUNTY, ILLINOIS.

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12/5/87 - 0125/1249

87677229 COPY

December 8, 1987

LOAN NO. 87-061C

PROMISSORY NOTE

$5,500,000.00 Chicago, Illinois

FOR VALUE RECEIVED, the undersigned LaSalle National Bank, not personally, but as Trustee under a Land Trust Agreement dated July 1, 1983 and known as Trust No. 106648 ("Trustee 1"), having its principal place of business at 135 South LaSalle Street, Chicago, Illinois 60690, LaSalle National Bank, not personally, but as Trustee under a Land Trust Agreement dated April 1, 1979 and known as Trust No. 100870 ("Trustee 2"), having its principal place of business at 135 South LaSalle Street, Chicago, Illinois 60690, Musical Arts Venture, an Illinois general partnership ("Beneficiary 1"), having its principal place of business at 410 South Michigan Avenue, Chicago, Illinois 60605, and Fine Arts Venture, Limited Partnership, an Illinois limited partnership formerly known as Fine Arts Venture ("Beneficiary 2"), having its principal place of business at 410 South Michigan Avenue, Chicago, Illinois 60605 (Trustee 1, Trustee 2, Beneficiary 1 and Beneficiary 2 are hereinafter individually and collectively referred to as "Maker"), hereby jointly and severally promise to pay to the order of HELLER FINANCIAL, INC., a Delaware corporation (the "Lender"), at 200 North LaSalle Street, Chicago, Illinois 60601, or at such other place as the holder hereof from time to time may designate in writing, the principal sum of Five Million Five Hundred Thousand Dollars ($5,500,000.00), or so much thereof as may from time to time be disbursed (the "Loan"), in lawful money of the United States of America, together with interest on the unpaid principal balance thereof from time to time outstanding at the "Interest Rate" (hereinafter defined).

As used in this Promissory Note (the "Note") the term "Interest Rate" means: One and five-eighths percent (1-5/8%) per annum in excess of the Corporate Base Rate announced from time to time by The First National Bank of Chicago ("FNB") at its main office in Chicago, Illinois as its Corporate Base Rate. Said Interest Rate shall (i) be fixed for each calendar month during the term of the Loan and shall be calculated using the Corporate Base Rate in effect on the 20th day of such calendar month; (ii) be computed on the basis of a year consisting of 360 days; (iii) be charged for the actual number of days elapsed within the period

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for which interest is being charged; and (iv) be charged only on the principal balance at any time disbursed and not repaid. In the event the principal balance of this Note and all other amounts due hereunder, including, without limitation, all interest due hereunder, is paid in full prior to the 20th day of a calendar month, the Interest Rate for such partial calendar month shall be calculated based upon the Corporate Base Rate in effect on the 20th day of the preceding calendar month. The Corporate Base Rate shall be the rate "announced" notwithstanding that other rate or rates may actually be charged and Lender shall have no liability on account of any such discrepancy. The written statement or notice from FNB as to what the Corporate Base Rate was on any given date shall be conclusive and in the event that FNB should cease to publish a Corporate Base Rate, the Corporate Base Rate (or other similarly announced rate for similar credit risks, regardless of title) announced by any other Chicago bank selected by Lender shall be an acceptable substitute therefor.

Interest shall accrue on the unpaid principal balance hereof from time to time outstanding at the Interest Rate and principal and interest shall be paid to the holder hereof in the following manner:

(a) On the first day of the month following the date the Loan is funded and on the first day of each month thereafter, installments of accrued interest only calculated on the basis of the "Payment Rate" (as hereinafter defined) shall be due and payable to Lender. Provided, however, that interest computed at the Interest Rate in excess of the Payment Rate (the "Accrued Interest"), if any, shall accrue and be added monthly to the outstanding principal balance of the Loan, and shall thereafter itself accrue interest at the Interest Rate. At no time, however, shall the cumulative Accrued Interest exceed Five Hundred Thousand and No/100ths Dollars ($500,000.00) (the "Maximum Interest Accrual"). In the event that the cumulative Accrued Interest reaches the Maximum Interest Accrual, Maker shall for any month in which the Interest Rate is greater than the Payment Rate, make its monthly payment at the Interest Rate. For any month in which the Interest Rate is less than the Payment Rate, Maker shall make its monthly payment at the Payment Rate, and such payment shall be applied first to the monthly interest which has accrued at the Interest Rate, second, to Accrued Interest, if any, until all Accrued Interest is paid in full, third to any other of "Maker's Liabilities" (as hereinafter defined) then due and owing to Lender and the balance thereof shall be applied against the outstanding principal balance of the Loan. Notwithstanding the first sentence of this paragraph (a), if from time to time the Interest Rate is greater than the Payment Rate, Maker is permitted, but not required (except as set forth above) to make monthly payments of accrued interest calculated on the basis of the Interest Rate.