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MORTGAGE

ASSIGNMENT OF RENTS AND SECURITY AGREEMENT 88161616

THIS MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT made as of April 15, 19 88, by and between La Salle National Bank, as Trustee under Trust Agreement dated 8/22/85 known as Trust No. 110224 and not personally ("Mortgagor") whose place of business is Chicago, Illinois

and

AETNA LIFE INSURANCE COMPANY, a Connecticut corporation ("Mortgagee"), whose principal place of business is City Place, Hartford, Connecticut.

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WITNESSETH

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited the receipt of which is hereby acknowledged, Mortgagor hereby irrevocably grants, remises, aliens, releases, transfers, conveys and mortgages to Mortgagee and its successors and assigns, under and subject to the terms and conditions hereinafter set forth, the real property located in the City of Barrington, County of Cook, State of Illinois, described in Exhibit A attached hereto and by this reference incorporated herein (the "Property").

TOGETHER WITH, all rents, issues, profits, royalties, income and other benefits derived from the Property (collectively the "rents"), subject to the right, power and authority hereinafter given to Mortgagor to collect and apply such rents;

TOGETHER WITH, all leasehold estate, right, title and interest of Mortgagor in and to all leases or subleases covering the Property or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Mortgagor thereunder, including, without limitation, all cash or security deposits, advance rentals, and deposits or payments of similar nature;

TOGETHER WITH, all right, title and interest of Mortgagor in and to all options to purchase or lease the Property or any portion thereof or interest therein, and any greater estate in the Property owned or hereafter acquired;

TOGETHER WITH, all interests, estate or other claims, both in law and in equity, which Mortgagor now has or may hereafter acquire in the Property;

TOGETHER WITH, all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto, and all water rights and shares of stock evidencing the same;

TOGETHER WITH, all right, title and interest of Mortgagor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Property, and any and all sidewalks, alleys and strips and gores or land adjacent to or used in connection with the Property;

TOGETHER WITH, any and all buildings and improvements now or hereafter erected thereon, including, but not limited to, the fixtures, attachments, appliances, equipment, machinery, and other articles attached to said buildings and improvements (the "Improvements").

Fixtures, attachments, or its beneficiary

TOGETHER WITH, all right, title and interest of Mortgagor in and to all tangible personal property (the "Personal Property") owned by Mortgagor and now or at any time hereafter located on or at the Property or used in connection therewith, including, but not limited to, all goods, machinery, tools, insurance proceeds, equipment (including fire sprinklers and alarm systems, office air conditioning, heating, refrigerating, electronic monitoring, entertainment, recreational, window or structural cleaning rigs, maintenance, exclusion of vermin or insects, removal of dust, refuse or garbage and all other equipment of every kind), lobby and all other indoor or outdoor furniture (including tables, chairs, planters, desks, sofas, shelves, lockers

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and cabinets), wall beds, wall safes, furnishings, appliances (including ice boxes, refrigerators, fans, heaters, stoves, water heaters and incinerators), inventory, rugs, carpets and other floor coverings, draperies and drapery rods and brackets, awnings, window shades, venetian blinds, curtains, lamps, chandeliers and other lighting fixtures and office maintenance and other supplies; and

TOGETHER WITH, all the estate, interest, right, title, other claim or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Mortgagor now has or may hereinafter acquire in the Property, and any and all awards made for the taking of eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the premises, including without limitation any awards resulting from a change of grade of streets and awards for severance damages.

The entire estate, property and interest hereby conveyed to Mortgagee may ~~hereafter~~ be referred to herein as the "premises"

FOR THE PURPOSE OF SECURING: a. Payment of indebtedness with interest thereon, evidenced by the Note made by Mortgagor of even date herewith in the original principal amount of $16,000,000 which has been delivered to and is payable to the order of the Mortgagee, and which by this reference is hereby made a part hereof, and any and all modifications, extensions and renewals thereof. The final payment of interest and principal on said Note, if not sooner paid, shall be payable on May 1, 1991, subject to extension to May 1, 1994, as set forth in the Note

~~b. Performance of all obligations of Mortgagor under any loan agreement (the "Loan Agreement") by and between Mortgagor and Mortgagee related to the use of the loan proceeds evidenced by the Note, and each agreement of Mortgagor's beneficiary incorporated by reference therein or herein, or contained therein or herein.~~

~~c. Performance of all obligations of Mortgagor under any Buy and Sell Agreement (the "Buy and Sell Agreement") by and among Mortgagor, Mortgagee and any other lender sharing the loan evidenced by the Note, and each agreement of Mortgagor incorporated by reference therein or herein.~~

d. Payment of all sums advanced by Mortgagee to protect the premises, with interest thereon at that rate ~~four~~ six percent (6%) more than the rate ~~set forth in~~ the Note or the maximum rate of interest permitted by law from time to time, whichever shall be less. payable prior to maturity under

e. Performance of all obligations of any guarantor of any of the obligations of Mortgagor contained in this Mortgage, the Note, the Loan Agreement, or any other instrument given to evidence or further secure the payment and performance of any obligation secured hereby.

f. Performance of Mortgagor's obligations and agreements contained in Mortgagor's loan application and Mortgagee's loan commitment, and any such application and commitment between Mortgagor and any assignee of Mortgagee, which loan is secured hereby, and any modification or amendment thereof.

This Mortgage, the Note, ~~the Loan Agreement, the Buy and Sell Agreement, any guaranty thereof~~ and any other instrument given to evidence or further secure the payment and performance of any obligation secured hereby may thereafter be referred to as the "Loan Instruments."

TO PROTECT THE SECURITY OF THIS MORTGAGE, MORTGAGOR HEREBY COVENANTS AND AGREES AS FOLLOWS:

ARTICLE I
COVENANTS AND AGREEMENTS OF MORTGAGOR

Mortgagor hereby covenants and agrees:

1.01 Payment of Secured Obligations. To pay when due the principal of, and the interest on, the indebtedness evidenced by the Note, charges, fees and all other sums as provided in the Loan Instruments.

1.02 Maintenance, Repair, Alterations. To keep the premises in good condition and repair; not to remove, demolish or substantially alter (except such alterations as may be required by laws, ordinances or regulations) any of the Improvements; to complete promptly and in good and workmanlike manner any building or other improvement which may be constructed on the Property and promptly restore in like manner any Improvement which may be damaged or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the premises or any part thereof or requiring any alterations or improvements; not to commit or permit any waste or deterioration of the premises; to keep and maintain abutting grounds, sidewalks, roads, parking and landscape areas in good and neat order and repair; to comply with the provisions of any lease, if this Mortgage is on a leasehold; not to commit, suffer or permit any act to be done in or upon the premises in violation of any law, ordinance or regulation.

1.03 Required Insurance. To at all times provide, maintain and keep in force the following policies of insurance:

(a) Insurance against loss or damage to the Improvements by fire and any of the risks covered by insurance of the type now known as "fire and extended coverage", in an amount not less than the full replacement cost of the Improvements including the cost of debris removal (exclusive of the cost excavations, foundations, and footings below the lowest basement floor), and with not more than $1,000 deductible from the loss payable for any casualty. The policies of insurance carried in accordance with this subparagraph (a) shall contain the "Replacement Cost Endorsement;"

(b) If requested by Mortgagee, business interruption insurance and/or loss of "rental value" insurance in such amounts as are satisfactory to Mortgagee;

(c) During the course of any construction or repair of Improvements on the Property, comprehensive public liability insurance (including coverage for elevators and escalators, if any, on the premises and, if any construction of new Improvements occurs after execution of this Mortgage, completed operations coverage for two years after construction of the Improvements has been completed) on an "occurrence basis" against claims for "personal injury" including without limitation bodily injury, death or property damage occurring on, in or about the premises and the adjoining streets, sidewalks and passageways, such

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insurance to afford immediate minimum protection to a limit of not less than that required by Mortgagee with respect to personal injury or death to any one or more persons or damage to property;

(d) During the course of any construction or repair of Improvements on the Property, workmen's compensation insurance (including employer's liability insurance, if requested by Mortgagee) for all employees of Mortgagor engaged on or with respect to the premises in such amount as is reasonably satisfactory to Mortgagee, or, if such limits are established by law, in such amounts;

(e) During the course of any construction or repair of Improvements on the Property, builder's completed value risk insurance against "all risks of physical loss," including collapse and transit coverage, during construction of such Improvements, with deductibles not to exceed $1,000, in nonreporting form, covering the total value of work performed and equipment, supplies and materials furnished. Said policy of insurance shall contain the "permission to occupy upon completion of work or occupancy" endorsement;

(f) Boiler and machinery insurance covering pressure vessels, air tanks, boilers, machinery, pressure piping, heating, air conditioning and elevator equipment and escalator equipment, provided the Improvements contain equipment of such nature, and insurance against loss of occupancy or use arising from ~~any such~~ breakdown in such amounts as are reasonably satisfactory to Mortgagee; for any of the items referred to in this subparagraph (f)

(g) Insurance against loss or damage to the Personal Property by fire and other risks covered by insurance of the type now known as "fire and extended coverage;" and

(h) Such other insurance, and in such amounts, as may from time to time be required by Mortgagee against the same or other hazards.

(i) All policies of insurance required by terms of this Mortgage shall contain an endorsement or agreement by the insurer that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Mortgagor which might otherwise result in forfeiture of said insurance and the further agreement of the insurer waiving all rights of set off, counterclaim or deductions against Mortgagor.

1.04 Delivery of Policies, Payment of Premiums. That all policies of insurance shall be issued by companies and in amounts in each company satisfactory to Mortgagee. All policies of insurance shall have attached thereto a lender's loss payable endorsement for the benefit of Mortgagee in form satisfactory to Mortgagee. Mortgagor shall furnish Mortgagee with an original copy of all policies of required insurance. If Mortgagee consents to Mortgagor providing any of the required insurance through blanket policies carried by Mortgagor and covering more than one location, then Mortgagor shall furnish Mortgagee with a certificate of insurance for each such policy setting forth the coverage, the limits of liability, the name of the carrier, the policy number, and the expiration date. At least thirty (30) days prior to the expiration of each such policy, Mortgagor shall furnish Mortgagee with evidence satisfactory to Mortgagee of the payment of premium and the reissuance of a policy continuing insurance in force as required by this Mortgage. All such policies shall contain a provision that such policies will not be cancelled or materially amended, which term shall include any reduction in the scope or limits of coverage, without at least ~~fifteen (15)~~ days prior written notice to Mortgagee. In the event Mortgagor fails to provide, maintain, keep in force or deliver and furnish to Mortgagee the policies of insurance required by this ~~Section~~ Paragraph, Mortgagee may procure such insurance or single-interest insurance for such risks covering Mortgagee's interest, and Mortgagor will pay all premiums thereon promptly upon demand by Mortgagee, and until such payment is made by Mortgagor the amount of all such premiums together with interest thereon at that rate ~~two~~ six per cent (6%) more than the rate set forth in the Note or the maximum rate of interest permitted by law from time to time, whichever shall be less, shall be secured by this Mortgage. At the request of Mortgagee Mortgagor shall deposit with Mortgagee in monthly installments, an amount equal to one-twelfth of the estimated aggregate annual insurance premiums on all policies of insurance required by this Mortgage. Mortgagor further agrees, upon Mortgagee's request, to cause all bills, statements or other documents relating to the foregoing insurance premiums to be sent or mailed directly to Mortgagee. Upon receipt of such bills, statements or other documents, and providing Mortgagor has deposited sufficient funds with Mortgagee pursuant to this Section 1.04, Mortgagee shall pay such amounts as may be due thereunder out of the funds so deposited with Mortgagee. If at any time and for any reason the funds deposited with Mortgagee are or will be insufficient to pay such amounts as may then or subsequently be due, Mortgagee shall notify Mortgagor and Mortgagor shall immediately deposit an amount equal to such deficiency with Mortgagee. Notwithstanding the foregoing, nothing contained herein shall cause Mortgagee to be deemed a trustee of said funds or to be obligated to pay any amounts in excess of the amount of funds deposited with Mortgagee pursuant to this Section 1.04. Mortgagee may commingle said reserve with its own funds and Mortgagor shall be entitled to no interest thereon.

1.05 Insurance Proceeds. That after the happening of any casualty to the premises or any part thereof, Mortgagor shall give prompt written notice thereof to Mortgagee.

(a) In the event of any damage or destruction of the Improvements, Mortgagee shall have the option in its sole discretion of applying all or part of the insurance proceeds (i) to any indebtedness secured hereby and in such order as Mortgagee may determine, or (ii) to the restoration of the Improvements or (iii) to Mortgagor.

(b) In the event of such loss or damage, all proceeds of insurance shall be payable to Mortgagee, and Mortgagee hereby authorized and empowered by Mortgagor to settle, adjust or compromise any claims for loss, damage or destruction under any policy or policies of insurance.

(c) Except to the extent that insurance proceeds are received by Mortgagee and applied to the indebtedness secured hereby, nothing herein contained shall be deemed to excuse Mortgagor from repairing or maintaining the premises as provided in Section 1.02 hereof or restoring all damage or destruction to the premises, regardless of whether or not there are insurance proceeds available or whether any such proceeds are sufficient in amount, and the application or release by Mortgagee of any insurance proceeds shall not cure or waive any default or notice of default under this Mortgage or invalidate any act done pursuant to such notice.

1.06 Assignment of Policies Upon Foreclosure. In the event of foreclosure of this Mortgage or other transfer of title or assignment of the premises in extinguishment, in whole or in part, of the debt secured hereby, all right, title and interest of Mortgagor in and to all policies of insurance required by this Mortgage shall inure to the benefit of and pass to the successor in interest to Mortgagor or the purchaser or grantee of the premises.

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1.07 Indemnification; Subrogation; Waiver of Offset.

(a) If Mortgagee is made a party defendant to any litigation concerning this Mortgage or the premises or any part thereof or therein, or the occupancy thereof by Mortgagor, then Mortgagor shall indemnify, defend and hold Mortgagee harmless from all liability by reason of said litigation, including reasonable attorneys' fees and expenses incurred by Mortgagee in any such litigation, whether or not any such litigation is prosecuted to judgment. If Mortgagee commences an action against Mortgagor to enforce any of the terms hereof or because of the breach by Mortgagor of any of the terms hereof, or for the recovery of any sum secured hereby, Mortgagor shall pay to Mortgagee reasonable attorneys' fees and expenses, and the right to such attorneys' fees and expenses shall be deemed to have accrued on the commencement of such action, and shall be enforceable whether or not such action is prosecuted to judgment. If Mortgagor breaches any term of this Mortgage, Mortgagee may employ an attorney or attorneys to protect its rights hereunder, and in the event of such employment following any breach by Mortgagor, Mortgagor shall pay Mortgagee reasonable attorneys' fees and expenses incurred by Mortgagee, whether or not an action is actually commenced against Mortgagor by reason of breach.

(b) Mortgagor waives any and all right to claim or recover against Mortgagee, its officers, employees, agents and representatives, for loss of or damage to Mortgagor, the premises, Mortgagor's property or the property of others under Mortgagor's control from any cause insured against or required to be insured against by the provisions of this Mortgage.

(c) All sums payable by Mortgagor hereunder shall be paid without notice, demand, counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the obligations and liabilities of Mortgagor hereunder shall in no way be released, discharged or otherwise affected (except as expressly provided herein) by reason of: (i) any damage to or destruction of or any condemnation or similar taking of the premises or any part thereof; (ii) any restriction or prevention of or interference with any use of the premises or any part thereof; (iii) any title defect or encumbrance or any eviction from the Property or the Improvements or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Mortgagee, or any action taken with respect to this Mortgage by any trustee or receiver of Mortgagee, or by any court, in any such proceeding; (v) any claim which Mortgagor has or might have against Mortgagee; (vi) any default or failure on the part of Mortgagee to perform or comply with any of the terms hereof or of any other agreement with Mortgagor; or (vii) any other occurrence whatsoever, whether similar or dissimilar to the foregoing; whether or not Mortgagor shall have notice or knowledge of any of the foregoing. Except as expressly provided herein, Mortgagor waives all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction of any sum secured hereby and payable by Mortgagor.

or any Affiliated Person (defined below)

1.08 Taxes and Impositions.

(a) Mortgagor agrees to pay, at least 10 days prior to delinquency, all real property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, including without limitation non-governmental levies or assessments such as maintenance charges, owners' association dues or charges or fees, levies or charges resulting from covenants, conditions and restrictions affecting the premises, which are assessed or imposed upon the premises, or become due and payable, and which create, may create or appear to create a lien upon the premises, or any part thereof, or upon any Personal Property, equipment or other facilities used in the operation or maintenance thereof (all of which taxes, assessments and other governmental and non-governmental charges of like nature are hereinafter referred to as "Impositions"); provided, however, that if, by law, any such Imposition is payable, or may at the option of the taxpayer be paid, in installments, Mortgagor may pay the same together with any accrued interest on the unpaid balance of such Imposition in installments as the same become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest.

(b) If at any time after the date hereof there shall be assessed or imposed (i) a tax or assessment on the premises in lieu of or in addition to the Impositions payable by Mortgagor pursuant to subparagraph (a) hereof, or (ii) a license fee, tax or assessment imposed on Mortgagee and measured by or based in whole or in part upon the amount of the outstanding obligations secured hereby, then all such taxes, assessments or fees shall be deemed to be included within the term "Impositions" as defined in subparagraph (a) hereof, and Mortgagor shall pay and discharge the same as herein provided with respect to the payment of Impositions or, at the option of Mortgagee, all obligations secured hereby together with all accrued interest thereon, shall immediately become due and payable. Anything to the contrary herein notwithstanding, Mortgagor shall have no obligation to pay any franchise, estate, inheritance, income, excess profits or similar tax levied on Mortgagee or on the obligations secured hereby.

(c) Subject to the provisions of subparagraph (d) of this Section 1.08, Mortgagor covenants to furnish Mortgagee within thirty (30) days after the date upon which any such Imposition is due and payable by Mortgagor, official receipts of the appropriate taxing authority, or other proof satisfactory to Mortgagee, evidencing the payments thereof.

(d) Mortgagor shall have the right before any delinquency occurs to contest or object to the amount or validity of any such Imposition by appropriate legal proceedings, but this shall not be deemed or construed in any way as relieving, modifying or extending Mortgagor's covenant to pay any such Imposition at the time and in the manner provided in this Section 1.08, unless Mortgagor has given prior written notice to Mortgagee of Mortgagor's intent to so contest or object to an Imposition, and unless, at Mortgagee's sole option, (i) Mortgagor shall demonstrate to Mortgagee's satisfaction that the legal proceedings shall conclusively operate to prevent the sale of the premises, or any part thereof, to satisfy such Imposition prior to final determination of such proceedings; or (ii) Mortgagor shall furnish a good and sufficient bond or surety as requested by and satisfactory to Mortgagee; or (iii) Mortgagor shall have provided Mortgagee with a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of such proceedings.

(e) At the request of Mortgagee, Mortgagor shall pay to Mortgagee, on the day monthly installments of principal and interest are payable under the Note, until the Note is paid in full, an amount equal to one-twelfth of the annual Impositions reasonably estimated by Mortgagee to pay the installment of taxes and assessments next due on the premises. In such event Mortgagor further agrees to cause all bills, statements or other documents relating to Impositions to be sent or mailed directly to Mortgagee. Upon receipt of such bills, statements or other documents, and providing Mortgagor has deposited sufficient funds with Mortgagee pursuant to this Section 1.08, Mortgagee shall pay such amounts as may be due thereunder out of the funds so deposited with Mortgagee. If at any time and for any reason the funds deposited with Mortgagee are or will be insufficient to pay such amounts as may then or subsequently be due, Mortgagee shall notify Mortgagor and Mortgagor shall immediately deposit an amount equal to such deficiency with Mortgagee. Notwithstanding the foregoing, nothing contained herein shall

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cause Mortgagee to be deemed a trustee of said funds or to be obligated to pay any amounts in excess of the amount of funds deposited with Mortgagee pursuant to this Section 1.08. Mortgagee shall not be obliged to pay or allow any interest on any sums held by Mortgagee pending disbursement or application hereunder, and Mortgagee may impound or reserve for future payment of Impositions such portion of such payments as Mortgagee may in its absolute discretion deem proper, applying the balance on the principal of or interest on the obligations secured hereby. Should Mortgagor fail to deposit with Mortgagee (exclusive of that portion of said payments which has been applied by Mortgagee on the principal of or interest on the indebtedness secured by the Loan Instruments) sums sufficient to fully pay such Impositions at least thirty (30) days before delinquency thereof, Mortgagee may, at Mortgagee's election, but without any obligation so to do, advance any amounts required to make up the deficiency, which advances, if any, shall be secured hereby and shall be repayable to Mortgagee as herein elsewhere provided, or at the option of Mortgagee the latter may, without making any advance whatever apply any sums held by it upon any obligation of the Mortgagor secured hereby. Should any default occur or exist on the part of the Mortgagor in the payment or performance of any of the Mortgagor's and/or any guarantor's obligations under the terms of the Loan Instruments, Mortgagee may, at any time at Mortgagee's option, apply any sums or amounts in its hands received pursuant hereto, or as rents or income of the premises or otherwise, upon any indebtedness or obligation of the Mortgagor secured hereby in such manner and order as Mortgagee may elect. The receipt, use or application of any such sums paid by Mortgagor to Mortgagee hereunder shall not be construed to affect the maturity of any indebtedness secured by this Mortgage or any of the rights or powers of Mortgagee under the terms of the Loan Instruments or any of the obligations of Mortgagor and/or any guarantor under any of the Loan Instruments.

(f) Mortgagor covenants and agrees not to suffer, permit or initiate the joint assessment of the real and personal property, or any other procedure whereby the lien of the real property taxes and the lien of the personal property taxes shall be assessed, levied or charged to the premises as a single lien.

(g) If requested by Mortgagee, Mortgagor shall cause to be furnished to Mortgagee a tax reporting service covering the premises of the type, duration and with a company satisfactory to Mortgagee.

1.09 Utilities. To pay when due all utility charges which are incurred by Mortgagor for the benefit of the premises or which may become a charge or lien against the premises for gas, electricity, water or sewer services furnished to the premises and all other assessments or charges of a similar nature, whether public or private, affecting the premises or any portion thereof, whether or not such taxes, assessments or charges are liens thereon.

1.10 Ground Leases. To pay when due all rents and other payments and perform all covenants and agreements contained in any lease, sublease or ground lease which may constitute a portion of or an interest in the premises; not to surrender, assign or sublease any such lease, sublease or ground lease, nor take any other action which would effect or permit the termination of any such lease, sublease or ground lease. Mortgagor covenants to furnish to Mortgagee within thirty (30) days after the date upon which such rents or other payments are due and payable by Mortgagor, receipts or other evidence satisfactory to Mortgagee evidencing the payment thereof.

1.11 Actions Affecting Premises. To appear in and contest any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee and to pay all costs and expenses, including cost of evidence of title and attorney's fees, in any such action or proceeding in which Mortgagee may appear.

1.12 Actions by Mortgagee to Preserve Premises. That should Mortgagor fail to make any payment or to do any act as and in the manner provided in any of the Loan Instruments, Mortgagee in its own discretion, without obligation so to do and without notice to or demand upon Mortgagor and without releasing Mortgagor from any obligation, may make or do the same in such manner and to such extent as Mortgagee may deem necessary to protect the security hereof. In connection therewith (without limiting their general powers), Mortgagee shall have and is hereby given the right, but not the obligation, (i) to enter upon and take possession of the premises; (ii) to make additions, alterations, repairs and improvements to the premises which it may consider necessary or proper to keep the premises in good condition and repair; (iii) to appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Mortgagee; (iv) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of Mortgagee may affect or appears to affect the security of this Mortgage or be prior or superior hereto; and (v) in exercising such powers, to pay necessary expenses, including employment of counsel or other necessary or desirable consultants. Mortgagor shall immediately upon demand therefor by Mortgagee, pay all costs and expenses incurred by Mortgagee in connection with the exercise by Mortgagee of the foregoing rights, including without limitation costs of evidence of title, court costs, appraisals, surveys and attorney's fees.

1.13 Survival of Warranties. To fully and faithfully satisfy and perform the obligations of Mortgagor contained in any Buy and Sell Agreement, the Mortgagor's loan application and Mortgagee's loan commitment, and any such application and commitment between Mortgagor and any assignee of Mortgagee, and each agreement of Mortgagor are incorporated by reference therein or herein, and any modification or amendment thereof. All representations, warranties and covenants of Mortgagor contained therein or incorporated by reference shall survive the closing and funding of the loan evidenced by the Note and shall remain continuing obligations, warranties and representations of Mortgagor during any time when any portion of the obligations secured by this Mortgage remain outstanding.

1.14 Eminent Domain. That should the premises, or any part thereof or interest therein, be taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner ("Condemnation"), or should Mortgagor receive any notice of other information regarding such proceeding, Mortgagor shall give prompt written notice thereof to Mortgagee.

(a) Mortgagee shall be entitled to all compensation, awards and other payments or relief therefor, and shall be entitled at its option to commence, appear in and prosecute in its own name any action or proceedings. Mortgagee shall also be entitled to make any compromise or settlement in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds awarded to Mortgagor (the "Proceeds") are hereby assigned to Mortgagee and Mortgagor agrees to execute such further assignments of the Proceeds as Mortgagee may require.

(b) In the event any portion of the premises is so taken or damaged, Mortgagee shall have the option, in its sole and absolute discretion, to apply all such Proceeds, after deducting therefrom all costs and expenses (regardless of the particular nature thereof and whether incurred with or without suit, including attorneys' fees, incurred by it in connection with such Proceeds, upon any indebtedness secured hereby and in such order as Mortgagee may determine, or to apply all such Proceeds, after such deduction, to the restoration of the premises upon such conditions as Mortgagee may determine. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

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1.15 Additional Security. That in the event Mortgagee at any time holds additional security for any of the obligations secured hereby, it may enforce the sale thereof or otherwise realize upon the same, at its option, either before or concurrently herewith or after a sale is made hereunder.

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

1.17 Inspections. That Mortgagee, or its agents, representatives or workmen, are authorized to enter at any reasonable time upon or in any part of the premises for the purpose of inspecting the same and for the purpose of performing any of the acts it is authorized to perform under the terms of any of the Loan Instruments.

1.18 Liens. To pay and promptly obtain title insurance over such lien or right or discharge, at Mortgagor's cost and expense, all liens, encumbrances and charges upon the premises, or any part thereof or interest therein; provided that the existence of any mechanic's, laborer's, materialman's, supplier's or vendor's lien or right thereto shall not constitute a violation of this Section if payment is not yet due under the contract which is the foundation thereof and if such contract does not postpone payment for more than 55 days after the performance thereof. Mortgagor shall have the right to contest in good faith the validity of any such lien, encumbrance or charge, provided Mortgagor shall first deposit with Mortgagee a bond or other security satisfactory to Mortgagee in such amounts as Mortgagee shall reasonably require, but not more than one and one-half (150%) of the amount of the claim plus costs, expenses, including attorneys' fees, and interest, and provided further that Mortgagor shall thereafter diligently proceed to cause such lien, encumbrance or charge to be removed and discharged. If Mortgagor shall fail to discharge any such lien, encumbrance or charge, or provide such reasonable security, then, in addition to any other right or remedy of Mortgagee, Mortgagee may, but shall not be obligated to, discharge the same, either by paying the amount claimed to be due, or by procuring the discharge of such lien by depositing in court a bond for the amount claimed or otherwise giving security for such claim, or in such manner as is or may be prescribed by law.

1.19 Mortgagee's Powers. Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Mortgage upon any portion of the Property not then or theretofore released as security for the full amount of all unpaid obligations, Mortgagee may, from time to time and without notice (i) release any person so liable, (ii) extend the maturity or alter any of the terms of any such obligation, (iii) grant other indulgences, (iv) release or reconvey, or cause to be released or reconveyed at any time at Mortgagee's option, any parcel, portion or all of the Premises, (v) take or release any other or additional security for any obligation herein mentioned, (vi) make compositions or other arrangements with debtors in relation thereto, or (vii) advance additional funds to protect the security hereof and pay or discharge the obligations of Mortgagor hereunder or under the Loan Instruments, and all amounts so advanced, with interest thereon at the rate set forth in the Note, shall be secured hereby.

1.20 Tradenames. At the request of Mortgagee, Mortgagor shall execute a certificate in form satisfactory to Mortgagee listing the tradenames under which Mortgagor intends to operate the premises, and representing and warranting that Mortgagor does business under no other tradename with respect to the premises. Mortgagor shall immediately notify Mortgagee in writing of any change in said tradenames, and will, upon request of Mortgagee, execute any additional financing statements and other certificates revised to reflect the change in tradename.

1.21 Financial Statements. Mortgagor will cause to be delivered to Mortgagee as soon as practicable, but in any event within 120 days after the close of each operating year of Mortgagor, a statement of condition or balance sheet of Mortgagor as at the end of each operating year, all certified as to accuracy by an independent certified public accountant or representative of Mortgagor acceptable to Mortgagee, and an annual operating statement showing in reasonable detail all income and expenses of Mortgagor with respect to the operation of the premises prepared by Mortgagor and certified as to accuracy by an independent certified public accountant or ~~officer~~ representative of Mortgagor acceptable to Mortgagee.

ARTICLE II
ASSIGNMENT OF RENTS, ISSUES AND PROFITS

2.01 Assignment of Rents. Mortgagor hereby assigns and transfers to Mortgagee all the rents, issues and profits of the premises, and hereby gives to and confers upon Mortgagee the right, power and authority to collect such rents, issues and profits. Mortgagor irrevocably appoints Mortgagee its true and lawful attorney-in-fact, at the option of Mortgagee at any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, in the name of Mortgagor or Mortgagee, for all such rents, issues and profits and apply the same to the indebtedness secured hereby; provided, however, that Mortgagor shall have the right to collect such rents, issues and profits (but not more than two months in advance) prior to or at any time there is not an event of default under any of the Loan Instruments. The assignment of the rents, issues and profits of the premises in this Article II is intended to be an absolute assignment from Mortgagor to Mortgagee and not merely the passing of a security interest. The rents, issues and profits are hereby assigned absolutely by Mortgagor to Mortgagee contingent only upon the occurrence of an event of default under any of the Loan Instruments.

2.02 Collection Upon Default. Upon any event of default under any of the Loan Instruments, Mortgagee may, at any time without notice, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the premises, or any part thereof, in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorneys' fees, upon any indebtedness secured hereby, and in such order as Mortgagee may determine. The collection of such rents, issues and profits, or the entering upon and taking possession of the premises, or the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default.

2.03 Assignment of Leases. Mortgagor agrees to assign and transfer to Mortgagee as additional security for the payment of the indebtedness secured hereby, all present and future leases upon all or any part of the premises and to execute and deliver, at the request of Mortgagee, all such further assurances and assignments in the premises as Mortgagee shall from time to time require. In the event Mortgagor, as such additional security has sold, transferred and assigned, or may hereafter sell, transfer and assign, to Mortgagee, its successors and assigns, any interest of Mortgagor as lessor in any lease or leases, Mortgagor expressly

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covenants and agrees that if Mortgagor, as lessor under said lease or leases so assigned, shall fail to perform and fulfill any term, covenant, condition or provision in said lease or leases, or any of them, on its part to be performed or fulfilled, at the times and in the manner in said lease or leases provided, or if Mortgagor shall suffer or permit to occur any breach or default under the provisions of any such assignment of any lease or leases and such default shall continue for three (3) days, then and in any such event, such breach or default shall constitute an event of default hereunder as such term is defined in Section 4.01 hereof.

2.04 Mortgagee's Right of Possession in Case of Default. In any case in which under the provisions of this mortgage Mortgagee has a right to institute foreclosure proceedings, whether before or after the whole principal sum secured hereby is declared to be immediately due, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, forthwith, upon demand of Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of the premises or any part thereof personally, or by its agent or attorneys, as for condition broken. In such event Mortgagee in its discretion may, with or without force and with or without process of law, enter upon and take and maintain possession of all or any part of said premises, together with all documents, books, records, papers and accounts of Mortgagor or then owner of the premises relating thereto, and may exclude Mortgagor, its agents or servants, wholly therefrom and may as attorney in fact or agent of Mortgagor, or in its own name as Mortgagee and under the powers herein granted, hold, operate, manage and control the premises and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns, may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, and with full power: (a) to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same; (b) to elect to disaffirm any lease or sublease which is then subordinate to the lien hereof; (c) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; (d) to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the premises as to it may seem judicious; (e) to insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof; and (f) to receive all of such avails, rents, issues and profits; hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Mortgagor.

Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases. Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under said leases or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases. Should Mortgagee incur any such liability, loss or damage, under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby, and Mortgagor shall reimburse Mortgagee therefor immediately upon demand.

2.05 Application of Income Received by Mortgagee. Mortgagee, in the exercise of the rights and powers hereinabove conferred upon it by Section 2.01 and Section 2.04 hereof shall have full power to use and apply the avails, rents, issues and profits of the premises to the payment of or on account of the following, in such order as Mortgagee may determine:

(a) to the payment of the operating expenses of said property, including cost of management and leasing thereof (which shall include reasonable compensation to Mortgagee and its agent or agents, if management be delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinabove authorized;

(b) to the payment of taxes and special assessments now due or which may hereafter become due on the premises; and, if this is a leasehold mortgage, of all rents due or which may become hereafter due under the underlying lease;

(c) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of the premises, including the cost from time to time of installing or replacing refrigeration and gas or electric stoves therein, and of placing the premises in such condition as well, in the judgment of Mortgagee, make it readily rentable;

(d) to the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale.

ARTICLE III
SECURITY AGREEMENT

3.01 Creation of Security Interest. Mortgagor hereby grants to Mortgagee a security interest in the Personal Property located on or at the Property, including without limitations any and all property of similar type or kind hereafter located on or at the Property for the purpose of securing all obligations of Mortgagor contained in any of the Loan Instruments.

3.02 Warranties, Representations and Covenants of Mortgagor or Its Beneficiaries. Mortgagor does hereby, or if a trust, will cause its beneficiaries to warrant, represent and covenant as follows:

(a) Except for the security interest granted hereby, Mortgagor is, and as to portions of the Personal Property to be acquired after the date hereof will be, the sole owner of the Personal Property, free from any adverse lien, security interest, encumbrance or adverse claims thereon of any kind whatsoever. Mortgagor will cause its beneficiaries to notify Mortgagee of, and will defend the Personal Property against, all claims and demands of all persons at any time claiming the same or any interest therein.

(b) Mortgagor will not lease, sell, convey or in any manner transfer the Personal Property without the prior written consent of Mortgagee.

(c) The Personal Property is not used or bought for personal, family or household purposes.

(d) The Personal Property will be kept on or at the Property and Mortgagor will not remove the Personal Property from the Property without the prior written consent of Mortgagee, except such portions or items of Personal Property which are consumed or worn out in ordinary usage, all of which shall be promptly replaced by Mortgagor with new items of equal or greater quality.

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(e) At the request of Mortgagee, Mortgagor will join Mortgagee in executing one or more financing statements and renewals and amendments thereof pursuant to the Uniform Commercial Code of Illinois in form satisfactory to Mortgagee, and will pay the cost of filing the same in all public offices wherever filing is deemed by Mortgagee to be necessary or desirable.

(f) All covenants and obligations of Mortgagor contained herein relating to the premises shall be deemed to apply to the Personal Property whether or not expressly referred to herein.

(g) This Mortgage constitutes a Security Agreement as that term is used in the Uniform Commercial Code of Illinois.

ARTICLE IV
REMEDIES UPON DEFAULT

As used herein, the word "Owner" shall mean any one or more of Mortgagor, Mortgagor's beneficiaries, any general partner of any partnership beneficiary, any owner or owners of legal title to the premises or any part thereof, from time to time, and the beneficiaries of any trust which may own such legal title from time to time.

4.01 Events of Default. Any of the following events shall be deemed an event of default hereunder:

(a) Default shall be made in the payment of any installment of principal or interest or any other sum secured hereby when due; or

(b) Owner shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors; or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Owner or of all or any part of the premises, or of any or all of the royalties, revenues, rents, issues or profits thereof, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due; or

(c) A court of competent jurisdiction shall enter an order, judgment or decree ~~approving a petition filed~~ of relief in any proceeding against Owner seeking any reorganization, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, and such order, judgment or decree shall remain unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive) from the first date of entry thereof; or any trustee, receiver or liquidator of Owner or of all or any part of the premises, or of any or all of the royalties, revenues, rents, issues or profits thereof, shall be appointed without the consent or acquiescence of Owner and such appointment shall remain unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive); or

(d) A writ of execution or attachment or any similar process shall be issued or levied against all or any part of or interest in the premises, or any judgment involving monetary damages shall be entered against Owner which shall become a lien on the premises or any portion thereof or interest therein and such execution, attachment or similar process or judgment is not released, bonded, satisfied, vacated or stayed within sixty (60) days after its entry or levy; or

(e) There has occurred a breach of or default under any term, covenant, agreement, condition, provision, representation or warranty contained in any of the Loan Instruments or any part thereof, not referred to in this Section 4.01.

4.02 Acceleration Upon Default, Additional Remedies. In the event of any event of default Mortgagee may declare all indebtedness secured hereby to be due and payable and the same shall thereupon become due and payable without any presentment, demand, protest or notice of any kind. ~~Thereafter~~* Mortgagee may:

(i) Either in person or by agent, with or without bringing any action or proceeding, enter upon and take possession of the premises, or any part thereof, in its own name, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the premises, or part thereof or interest therein, increase the income therefrom or protect the security ~~thereof~~ and, with or without taking possession of the premises, sue for or otherwise collect the rents, issues and profits thereof, including those past due and unpaid, and apply the same in accordance with Section 2.05 hereof. The entering upon and taking possession of the premises, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of the premises or the collection, receipt and application of rents, issues or profits, Mortgagee shall be entitled to exercise every right provided for in any of the Loan Instruments or by law upon occurrence of any event of default, including the right to exercise the power of sale;

(ii) Commence an action to foreclose this Mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

(iii) Exercise any or all of the remedies available to a secured party under the Illinois Uniform Commercial Code, including, but not limited to:

(1) Either personally or by means of a court appointed receiver, take possession of all or any of the Personal Property and exclude therefrom Mortgagor and all others claiming under Mortgagor, and thereafter hold, store, use, operate, manage, maintain and control, make repairs, replacements, alterations, additions and improvements to and exercise all rights and powers of Mortgagor in respect to the Personal Property or any part thereof. In the event Mortgagee demands or attempts to take possession of the Personal Property in the exercise of any rights under any of the Loan Instruments, Mortgagor promises and agrees to promptly turn over and deliver complete possession thereof to Mortgagee;

(2) Without notice to or demand upon Mortgagor, make such payments and do such acts as Mortgagee may deem necessary to protect its security interest in the Personal Property, including without limitation, paying, purchasing, contesting or compromising any encumbrance, charge or lien which is prior to or superior to the security interest granted hereunder, and in exercising any such powers or authority to pay all expenses incurred in connection therewith;

(3) Require Mortgagor to assemble the Personal Property or any portion thereof, at a place designated by Mortgagee and reasonably convenient to both parties, and promptly to deliver such Personal Property to Mortgagee, or an agent or representative designated by it. Mortgagee, and its agents and representatives shall have the right to enter upon any or all of Mortgagor's premises and property to exercise Mortgagee's rights hereunder.

*When the indebtedness hereby secured or any part thereof is not paid when due, whether by acceleration or otherwise,

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(4) Sell, lease or otherwise dispose of the Personal Property at public sale, with or without having the Personal Property at the place of sale, and upon such terms and in such manner as Mortgagee may determine. Mortgagee may be a purchaser at any such sale;

(5) Unless the Personal Property is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Mortgagee shall give Mortgagor at least ten (10) days prior written notice of the time and place of any public sale of the Personal Property or other intended disposition thereof. Such notice may be mailed to Mortgagor at the address set forth at the beginning of this Mortgage.

4.03 Foreclosure; Expense of Litigation. When the indebtedness hereby secured, or any part thereof, ~~shall become~~ is not paid when due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof. In any suit to foreclose the lien hereof or enforce any other remedy of Mortgagee under this mortgage or the Note, there shall be allowed and included as additional indebtedness in the decree for sale or other judgment or decree 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 estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the premises. All expenditures and expenses of the nature in this paragraph mentioned, and such expenses and fees as may be incurred in the protection of the premises and the maintenance of the lien of this mortgage, including the fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this mortgage, the Note or the premises, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the post maturity rate and shall be secured by this mortgage.

4.04 Application of Proceeds of Foreclosure Sale. The proceeds of any foreclosure sale of the premises shall be distributed and applied in the following order of priority: First, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding paragraph hereof; second, all other items which 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; fourth, any overplus to Mortgagor, its successors or assigns, as their rights may appear.

4.05 Appointment of Receiver. Upon, or at any time after the filing of a complaint to foreclose this mortgage, the court in which such complaint is filed may appoint a receiver of the premises. Such appointment may be either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the premises or whether the same shall be then occupied as a homestead or not and Mortgagee hereunder or any Holders may be appointed as such receiver. Such receiver shall have power: (a) to collect the rents, issues and profits of the premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits; (b) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; and (c) all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (a) the indebtedness secured hereby, or by any decree foreclosing this mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; (b) and if this is a leasehold mortgage, all rents due or which may become due under the underlying lease; (c) the deficiency in case of a sale and deficiency.

4.06 Remedies Not Exclusive. Mortgagee shall be entitled to enforce payment and performance of any indebtedness or obligations secured hereby and to exercise all rights and powers under this Mortgage or under any Loan Instrument or other agreement or any laws now or hereafter in force, notwithstanding some or all of the said indebtedness and obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Mortgage nor its enforcement whether by court action or other powers herein contained, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee, it being agreed that Mortgagee shall be entitled to enforce this Mortgage and any other security now or hereafter held by Mortgagee in such order and manner as it may in its absolute discretion determine. No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cummulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by any of the Loan Instruments to Mortgagee or to which it may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as it may be deemed expedient by Mortgagee and Mortgagee may pursue inconsistent remedies.

4.07 Giving of Notice. Any notice which either party hereto may desire or be required to give to the other party shall be in ~~writing and the mailing thereof be certified mail addressed to Mortgagor at~~ accordance with Section 5.17 hereof ~~or to Mortgagee at~~ or at such other place as either party hereto may by notice in writing designate as a place for service of notice shall constitute service of notice hereunder.

ARTICLE V
MISCELLANEOUS

5.01 Governing Law. This Mortgage shall be governed by the laws of the State of Illinois. In the event that any provision or clause of any of the Loan Instruments conflicts with applicable laws, such conflicts shall not affect other provisions of such

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Loan Instruments which can be given effect without the conflicting provision, and to this end the provisions of the Loan Instruments are declared to be severable. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

5.02 Mortgagor Waives Rights. Mortgagor waives (i) the benefit of all laws now existing or that hereafter may be enacted providing for any appraisement before sale of any portion of the premises, and (ii) the benefit of all laws that may be hereafter enacted in any way extending the time for the enforcement of the collection of the Note or the debt evidenced thereby or creating or extending a period of redemption from any sale made in collecting said debt. To the full extent Mortgagor may do so, Mortgagor agrees that Mortgagor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisement, valuation, stay, extension or redemption, and Mortgagor, for Mortgagor, Mortgagor's heirs, devisees, representatives, successors and assigns, and for any and all persons ever claiming any interest in the premises, to the extent permitted by law, hereby waives and releases all rights of redemption, valuation, appraisement, stay of execution, notice of election to mature or declare due the whole of the secured indebtedness and marshaling in the event of foreclosure of the liens hereby created*If any law referred to in this Section and now in force, of which Mortgagor, Mortgagor's heirs, devisees, representatives, successors and assigns or other person might take advantage despite this Section, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to preclude the application of this Section. Mortgagor expressly waives and relinquishes any and all rights and remedies which Mortgagor may have or be able to assert by reason of the laws of the State of Illinois pertaining to the rights and remedies of sureties.

5.03 Limitation of Interest. Mortgagor represents and agrees that the proceeds of the loan secured by this mortgage will be used for the purposes specified in subsection (1)(c) of Section 6404 of Chapter 17 of Illinois Revised Statutes, 1983 Edition ~~4 of Chapter 74 of Smith-Hurd Illinois Statutes Annotated~~ and that said loan constitutes a business loan which comes within the purview of said subsection.** It is the intent of Mortgagor and Mortgagee in the execution of this Mortgage and the Note and all other instruments securing the Note to contract in strict compliance with the usury laws of the State of Illinois governing the loan evidenced by the Note. In furtherance thereof, Mortgagee and Mortgagor stipulate and agree that none of the terms and provisions contained in the Loan Instruments shall ever be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted to be charged by the laws of the State of Illinois governing the loan evidenced by the Note. Mortgagor or any guarantor, endorser or other party now or hereafter becoming liable for the payment of the Note shall never be liable for unearned interest on the Note and shall never be required to pay interest on the Note at a rate in excess of the maximum interest that may be lawfully charged under the laws of the State of Illinois and the provisions of this Section shall control over all other provisions of the Note and any other instrument executed in connection herewith which may be in apparent conflict herewith. In the event any holder of the Note shall collect monies which are deemed to constitute interest which would otherwise increase the effective interest rate on the Note to a rate in excess of that permitted to be charged by the laws of the State of Illinois, all such sums deemed to constitute interest in excess of the legal maximum permissible rate shall be immediately applied to the reduction of the unpaid principal balance due under the Note, or, if the same has been fully paid, returned to the Mortgagor upon such determination.

5.04 Statements by Mortgagor. Mortgagor, within ten (10) days after being given notice by mail, will furnish to Mortgagee a written statement stating the unpaid principal of and interest on the Note and any other amounts secured by this Mortgage and stating whether any offset or defense exists against such principal and interest.

5.05 Captions. The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Mortgage.

5.06 Invalidity of Certain Provisions. If the lien of this Mortgage is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the premises, the unsecured or partially secured portion of the debt shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the debt which is not secured or fully secured by the lien of this Mortgage. ***

5.07 Subrogation. To the extent that proceeds of the Note or advances or advances under this Mortgage are used to pay any outstanding lien, charge or prior encumbrance against the premises, such proceeds have been or will be advanced by Mortgagee at Mortgagor's request and Mortgagee shall be subrogated to any and all rights and liens held by any owner or holder of such outstanding liens, charges and prior encumbrances, irrespective of whether said liens, charges or encumbrances are released.

5.08 No Merger. If both the Lessor's and Lessee's estates under any lease or any portion thereof which constitutes a part of the premises shall at any time become vested in one owner, this Mortgage and the Lien created hereby shall not be destroyed or terminated by application of the doctrine of merger and, in such event, Mortgagee shall continue to have and enjoy all of the rights and privileges of Mortgagee as to the separate estates. In addition, upon the foreclosure of the lien created by this Mortgage on the premises pursuant to the provisions hereof, any leases or subleases then existing and created by Mortgagor shall not be destroyed or terminated by application of the law of merger or as a matter of law or as a result of such foreclosure unless Mortgagee or any purchaser at any such foreclosure sale shall so elect. No act by or on behalf of Mortgagee or any such purchaser shall constitute a termination of any lease or sublease unless Mortgagee or such purchaser shall give written notice thereof to such tenant or subtenant.

~~*The foregoing waiver of right of redemption is made pursuant to the provisions of~~ Section 12-125, ~~if Mortgagor is a corporate trustee, or Section 12-124 if Mortgagor is a corporation other than a corporate trustee, of the Illinois Code of Civil Procedure (Illinois Revised Statutes, Chapter 110, 1983 Edition).~~

* and a loan secured by a mortgage on real estate which comes within the purview of Section (1)(1) of said Section.

** If any provision of this instrument shall be deemed void or unenforceable, it shall not affect the validity of the remaining provisions hereof which shall be considered severable.

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5.09 Right of Partial Foreclosure.

It is further agreed that if default be made in the payment of the secured indebtedness, or any part thereof, as an alternative to the right of foreclosure for the full secured indebtedness after acceleration thereof, Mortgagee shall have the right to institute partial foreclosure proceedings with respect to the portion of said indebtedness so in default, as if under a full foreclosure, and without declaring the entire secured indebtedness due (such proceedings being hereinafter referred to as "Partial Foreclosure"), and provided that if a foreclosure sale is made because of default of a part of the secured indebtedness, such sale may be made subject to the continuing lien of this Mortgage for the unmatured part of the secured indebtedness; and it is agreed that such sale pursuant to a Partial Foreclosure, if so made, shall not in any manner affect the unmatured part of the secured indebtedness, but as to such unmatured part, this Mortgage and the lien thereof shall remain in full force and effect just as though no foreclosure sale had been made under the provisions of this Section. Notwithstanding the filing of any Partial Foreclosure or entry of a decree of sale therein Mortgagee may elect, at any time prior to a foreclosure sale pursuant to such decree, to discontinue such Partial Foreclosure and to accelerate the secured indebtedness by reason of any uncured default or defaults. It is further agreed that several foreclosures may be made pursuant to Partial Foreclosures without exhausting the right of full or Partial Foreclosure sale or any unmatured part of the secured indebtedness, it being the purpose to provide for a Partial Foreclosure sale of the secured indebtedness for any matured portion of the secured indebtedness without exhausting the power to foreclose and to sell the premises

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pursuant to any such Partial Foreclosure for any other part of the secured indebtedness, whether matured at the time or subsequently maturing, and without exhausting any right of acceleration and full foreclosure.

5.10 Leases.

Mortgagor, as landlord, has leased the premises to tenants pursuant to a certain written lease prior to the execution hereof. Concurrently herewith, Mortgagor has assigned said lease to Mortgagee as additional security for the indebtedness secured hereby. Without limiting the generality of Section 2.03 hereof, it is expressly understood and agreed that the provisions of such section shall apply specifically to said leases and to said assignment thereof given to Mortgagee.

5.11 Approval of Leases.

Mortgagor shall not enter into any leases demising all or part of the Premises without the prior written consent of Mortgagee.

With respect to any leases demising all or part of the Premises, prior to an occurrence of an event of default Mortgagee's consent shall be deemed given as to any occupancy lease which complies with the following criteria:

(a) such lease shall have a maximum term of five (5) years,

(b) the portion of the Premises demised by such lease is less than or equal to 5,000 square feet,

(c) such lease shall have an effective net rental rate of not less than $16.00 per rentable square foot, excluding amounts to be paid by the tenant for operating expenses and taxes,

(d) such lease will provide that the tenant shall pay its proportionate share of operating expenses and taxes,

(e) such lease shall not contain rental or other concessions equivalent to more than twenty percent

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(20%) of the tenant's rental obligation for the lease term and all rental concessions shall apply only to the first twenty percent (20%) of the lease term, and

(f) such lease shall be substantially on the form lease previously approved by Mortgagee.

Prior to entering into any lease demising all or part of the Premises as to which Mortgagee's approval is required, Mortgagor must submit to Mortgagee (1) a copy of the proposed lease, (2) plans and specifications for tenant improvements to be completed in connection with the proposed lease, (3) biographical and financial information on each proposed tenant, and (4) any other information with respect to such lease which Mortgagee may reasonably request.

As to any lease as to which Mortgagee's approval is deemed given, Mortgagor shall provide Mortgagee with a copy thereof within fifteen (15) days after execution thereof.

5.12 Definitions of "Mortgagor", "Affiliated Persons" and "Affiliate".

The word "Mortgagor" when used herein shall include:

(a) the original Mortgagor named in the preambles hereof;

(b) said original Mortgagor's successors and assigns; and

(c) all owners from time to time of the Property. The words "Affiliated Persons" when used herein shall mean (i) the beneficiaries from time to time of Mortgagor, (ii) the general partners of any general or limited partnership which is a beneficiary of the trust (and if applicable, the general partners of said general partners), including, without limitation, Mel G. Helms ("Helms") and James P. Avgeris ("Avgeris").

The word "Affiliate" when used herein shall mean any person or entity directly or indirectly controlling or controlled by or under direct or indirect common control of any Affiliated Person. For the purpose of this definition, "control" means

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the possession, directly or indirectly, of the power to direct or cause the direction of management and policies, whether through the ownership of voting securities, by contract or otherwise.

5.13 Maintenance of Mortgagor's and Affiliated Persons' Interests.

In determining whether or not to make the loan secured hereby, Mortgagee examined the creditworthiness of the beneficiary of Mortgagor and said beneficiary's principals, found it acceptable and relied and continues to rely upon same as a means of repayment of the loan. Mortgagee also evaluated the background and experience of Mortgagor's beneficiary in owning and operating real estate such as the Property, found it acceptable and relied and continues to rely upon same as the means of maintaining the value of the Property which is Mortgagee's security for the loan. Mortgagor is an entity controlled by individuals or entities well-experienced in borrowing money and owning and operating real estate such as the Property, was ably represented by a licensed attorney at law in the negotiation and documentation of the loan secured hereby and bargained at arm's length and without duress of any kind for all of the terms and conditions of the loan, including this provision. Mortgagor recognizes that Mortgagee is entitled to keep its loan portfolio at current interest rates by either making new loans at such rates or collecting assumption fees and/or increasing the interest rate on a loan, the security for which is purchased by a party other than the original Mortgagor. Mortgagor further recognizes that any secondary or junior financing placed upon the Property: (i) may divert funds which would otherwise be used to pay the Note secured hereby; (ii) could result in acceleration and foreclosure by

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the holder of any such junior encumbrance, which would force Mortgagee to take measures and incur expenses to protect its security; (iii) would detract from the value of the Property should Mortgagee come into possession thereof with the intention of selling same; and (iv) would impair Mortgagee's right to accept a deed in lieu of foreclosure, as a foreclosure by Mortgagee would be necessary to clear the title to the Property.

Subject to the provisions of Section 5.21 below, in accordance with the foregoing and for the purposes of: (i) protecting Mortgagee's security, both of repayment by Mortgagor and of the value of the Property; (ii) giving Mortgagee the full benefit of its bargain and contract with Mortgagor; (iii) allowing Mortgagee to raise the interest rate and/or collect processing or assumption fees and to otherwise modify the Loan Instruments; and (iv) keeping the Property free of subordinate financing liens, Mortgagor agrees that if this paragraph be deemed a restraint on alienation, it is a reasonable one and that any sale, conveyance, assignment, further encumbrance or other transfer of title to the Property or any interest therein (whether voluntary or by operation of law) without the Mortgagee's prior written consent shall be an Event of Default hereunder, except as permitted hereinafter. For the purpose of, and without limiting the generality of the preceding sentence, it shall be deemed to be an "event of default" hereunder, giving Mortgagee the right at its election under Section 4.02 hereof, to declare immediately due and payable the entire indebtedness secured hereby, if:

(a) Mortgagor shall, without Mortgagee's prior written consent, transfer, convey, alien, pledge, hypothecate or mortgage the Property or any part thereof, or enter into a contract with respect to any of the foregoing; or

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(b) any Affiliated Person shall, without Mortgagee's prior written consent, transfer, convey, alien, pledge, hypothecate or alter in any way an interest it holds in the Mortgagor (whether in the form of a beneficial interest therein or otherwise) or in any entity which holds an interest in the Mortgagor (whether in the form of a beneficial interest therein or otherwise), or enter into a contract with respect to any of the foregoing; or

(c) Mortgagor or any corporate partnership or Affiliated Person shall, without Mortgagee's prior written consent, terminate its existence or change its form of ownership; or

(d) the controlling shares of any corporate Mortgagor (except a corporate trustee) or any corporate Affiliated Persons are, without Mortgagee's prior written consent, held by any person or persons other than the person or persons holding such shares (i) on the date this Mortgage is executed with regard to any corporate Mortgagor or corporate Affiliated Person on the date this Mortgage is executed; or (ii) on the date of a permitted assignment of the beneficial interest in Mortgagor, with regard to a successor corporate Mortgagor or corporate Affiliated Person in the event of such a permitted assignment; or

(e) any condominium declaration is recorded with respect to the Property or any part thereof.

Any consent by Mortgagee or any waiver of an "event of default" under this Section 5.13 shall not constitute a consent to, or waiver of, any right, remedy or power of Mortgagee upon a subsequent "event of default" under this Section. Mortgagee may grant or deny any consent required under this Section 5.13 in its sole discretion, except as otherwise set forth herein.

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Notwithstanding anything in this Section 5.13 to the contrary, it is further understood that Helms and/or Avgeris may, without Mortgagee's prior written consent but after prior or simultaneous written notice to Mortgagee, transfer an interest Helms and/or Avgeris hold in the beneficiary of Mortgagor to:

(a) any partnership in which (i) Helms or Avgeris is, owns or controls the sole general partner; and (ii) the partners include only Helms or Avgeris and/or any Family Members (as defined below) of Helms or Avgeris and/or any trust for the benefit of Family Members of Helms or Avgeris ("Family Trust");

(b) any corporation in which Helms or Avgeris, any Family Members of Helms or Avgeris and/or any Family Trusts own a controlling interest, so long as Helms or Avgeris holds the right to vote the controlling shares; or

(c) any Family Members of Helms or Avgeris or any Family Trust, so long as after such transfer to Family Members and/or Family Trusts, Helms or Avgeris retains all voting, management and control rights with respect to the interest transferred;

provided, however, that, at all times, Helms and Avgeris shall each personally own directly or indirectly not less than 10% of the economic interest in the Property. As used herein, an individual's "Family Members" shall mean his (i) spouse, (ii) parents and (iii) direct lineal descendants and their respective spouses.

5.14 Non-Waiver.

The acceptance by Mortgagee of any sum after the same is due shall not constitute a waiver of the right either to require prompt payment, when due, of all other sums hereby secured or to declare a default as herein provided. The

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acceptance by Mortgagee of any sum in an amount less than the sum then due shall be deemed an acceptance on account only and upon condition that it shall not constitute a waiver of the obligation of Mortgagor to pay the entire sum then due, and Mortgagor's failure to pay said entire sum then due shall be and continue to be a default notwithstanding such acceptance of such amount on account, as aforesaid, and Mortgagee shall be at all times thereafter and until the entire sum then due shall have been paid, and notwithstanding the acceptance by Mortgagee thereafter of further sums on account, or otherwise, entitled to exercise all rights in this instrument conferred upon Mortgagee, upon the occurrence of a default, and the right to declare the indebtedness due and payable and to foreclose the lien hereof, shall in no way be impaired, whether any of such amounts are received prior or subsequent to the exercise of such right. Consent by Mortgagee to any transaction or action of Mortgagor which is subject to consent or approval of Mortgagee hereunder shall not be deemed a waiver of the right to require such consent or approval to future or successive transactions or actions.

5.15 <u>Real and Personal Property as a Unit; Execution of Separate Security Agreement, Financing Statements and Other Security Instruments</u>.

To the extent authorized by applicable law all of the land, estate, and property hereinabove, in the granting clause and in Article III hereof, described, real, personal and mixed, whether affixed or annexed or not and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared to form a part and parcel of the real estate and to be appropriated to the use of the real estate, and shall for the purposes of this Mortgage be deemed to be real estate and conveyed and mortgaged hereby. As to any of the property aforesaid which (notwithstanding the

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aforesaid declaration and agreement) does not so form a part and parcel of the real estate, this Mortgage is hereby deemed to be, as well, a Security Agreement under the Uniform Commercial Code for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to Mortgagee as Secured Party (as said terms are defined in the Uniform Commercial Code), securing said indebtedness and obligations.

Mortgagor, upon request by Mortgagee from time to time, shall execute, acknowledge and deliver to Mortgagee, or cause any owner of Personal Property (as defined in the granting clause hereof) to so execute, acknowledge and deliver to Mortgagee, a Security Agreement, Financing Statement or other similar security instruments, in form satisfactory to Mortgagee, covering all property of any kind whatsoever owned by Mortgagor or any other owner of Personal Property, as the case may be, which in the sole opinion of Mortgagee is essential to the operation of the premises concerning which there may be any doubt whether the title to same has been conveyed by or security interest granted and perfected by this Mortgage under the laws of the state in which the premises are located, and will further execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any financing statement, affidavit, continuation statement or certificate or other document as Mortgagee may request in order to perfect, preserve, maintain, continue and extend the security interest under and the priority of this Mortgage and such security instrument. Mortgagor further agrees to pay to Mortgagee on demand all costs and expenses incurred by Mortgagee in connection with the preparation, execution, recording, filing and re-filing of any such document.

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5.16 Pre-Maturity Rate.

The phrase "rate set forth in the Note", as used herein, shall mean the interest rate prior to maturity of the initial term of the Note or the extension term of the Note, whichever is applicable.

5.17 Notices.

All notices given pursuant to Section 4.07 hereof shall be sent as follows:

If to Mortgagor:

c/o Dearborn Associates
Two Mid America Plaza
Suite 714
Oakbrook Terrace, Illinois 60181

If to Mortgagee:

Aetna Casualty and Surety Company
City Place
Hartford, Connecticut 06156

Attn: Aetna Realty Investors, Inc.
(Real Estate Finance)

5.18 Applicable Law

This Mortgage was negotiated in the State of Illinois, and made by Mortgagor and accepted by Mortgagee in the State of Illinois, and the proceeds of the Loan secured hereby were disbursed to Mortgagor in Illinois, which State the parties agree has a substantial relationship to the parties and to the underlying transaction embodied hereby. This Mortgage shall be governed by, and construed in accordance with, the internal laws of the State of Illinois applicable to contracts made and to be performed in such State (without regard to principles of conflicts of laws) and any applicable laws of the United States of America.

5.19 Interpretation; Time is of the Essence

This Mortgage, and the Loan Instruments shall not be construed more strictly against one party than against the other merely by virtue of the fact that they may have been

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prepared by counsel for one of the parties, it being recognized that both Mortgagor and Mortgagee have contributed substantially and materially to the preparation of this Mortgage, and the Loan Instruments. Time is of the essence of this Mortgage and the indebtedness and obligations which it secures.

5.20 Management Agreements

As of the date hereof, Mortgagee has received from Mortgagor an assignment of all management agreements under which the Property will be managed (the "Management Agreements"). Notwithstanding anything in this Mortgage to the contrary, it shall be deemed an "event of default" hereunder, giving Mortgagee the right at its election under Section 4.02 hereof, to declare immediately due and payable the entire indebtedness secured hereby, if without Mortgagee's prior written consent, Mortgagor shall default under any of the Management Agreements, such default being as defined in each of the Management Agreements.

5.21 Permitted Subordinate Financing.

The foregoing provisions of this Mortgage to the contrary notwithstanding, Mortgagor may borrow up to an additional $1,000,000 ("Subordinate Financing") secured by a second mortgage of the Property or a second collateral assignment of beneficial interest of Mortgagor's beneficiary's interest in Mortgagor, but only on and subject to the following terms and conditions:

(a) The interest accruing with respect to the Subordinate Financing shall be payable as it accures (no less frequently than quarterly), except that up to 2% per annum of the outstanding principal balance of the Subordinate Financing may accrue and need not be currently payable;

(b) The lender shall be an institutional lender reasonably satisfactory to Mortgagee;

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(c) Mortgagor shall notify Mortgagee not less than thirty days prior to the execution of the documents evidencing and securing Subordinate Financing ("Subordinate Loan Documents");

(d) The Subordinate Loan Documents shall contain an express subordination thereof to the Loan Instruments, such subordination to be in all respects reasonably satisfactory to Mortgagee;

(e) Mortgagor shall pay in advance Mortgagee's then standard processing fee in connection with approvals of secondary financing and all of Aetna's legal and other expenses in connection with processing the Subordinate Financing;

(f) If the Subordinate Financing Documents include a mortgage or equivalent instrument, an endorsement to Mortgagee's title insurance policy shall be issued confirming the priority of this Mortgage to such mortgage or other instrument; and

(g) All other then standard requirements of Mortgagee for processing secondary financing requests shall be satisfied.

5.22 Insurance Proceeds.

Notwithstanding anything in Section 1.05 or 1.14 to the contrary, in the event of any casualty to the Premises or any Condemnation, if (i) no default or event of default exists under this Mortgage or under any of the Loan Instruments; (ii) in Mortgagee's reasonable judgment, the amount of insurance or Condemnation proceeds, as the case may be, available for restoration of the Improvements, together with any sums deposited with Mortgagee by Mortgagor for such purpose, is sufficient to pay the full and complete cost of such restoration;

(iii) during the period in which such restoration is taking

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place, the Property will be generating sufficient rental income, together with the amount of business interruption insurance or Condemnation proceeds available for such purpose, to satisfy Debt Service (as defined below) and other fixed costs of the Property, including, without limitation, real estate taxes; (iv) upon completion of restoration, the Property will be generating sufficient income to satisfy the Required Debt Service Ratio (as defined below); (v) in Mortgagee's reasonable judgment, such restoration will be completed not less than six months prior to the maturity date of the Note; and (vi) in the case of a Condemnation, Mortgagee is satisfied that the Property can reasonably be restored to a viable economic and architectural unit; then Mortgagee agrees to apply such insurance or Condemnation proceeds, as the case may be, to restoration of the Improvements. The Improvements so restored or rebuilt shall be of at least equal value and substantially the same character as prior to such damage or destruction.

In the event Mortgagee agrees to or is obligated to apply insurance proceeds to restoration, such proceeds shall be made available, from time to time, upon Mortgagee being furnished with satisfactory evidence of the estimated cost of completion thereof and with such architect's certificates, waivers of lien, contractors' sworn statements and other evidence of cost and of payments as Mortgagee may reasonably require and approve. If the estimated cost of the work exceeds Fifty Thousand Dollars ($50,000), Mortgagee shall also be furnished with all plans and specifications for such rebuilding or restoration as Mortgagee may require, and such plans and specifications shall be subject to Mortgagee's prior written consent, such consent not to be unreasonably withheld. No payment made prior to final completion of such work shall exceed ninety percent (90%) of the value of the work performed

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from time to time, and at all times the undisbursed balance of said proceeds remaining in the hands of Mortgagee shall be at least sufficient to pay for the cost of completion of the work free and clear of liens.

If Mortgagor shall fail to diligently commence and prosecute restoration of the Improvements damaged, destroyed or taken or shall fail to complete such restoration within a reasonable time, whether because Mortgagor has failed to qualify for application of proceeds to restoration or otherwise, then Mortgagee may, at its sole option, declare all indebtedness secured hereby to be due and payable on thirty (30) days' prior written notice to Mortgagor.

"Required Debt Service Ratio" shall be achieved when Net Operating Income (as defined below) shall equal or exceed one hundred ten percent (110%) of the monthly debt service ("Debt Service") of all financing secured by the Property or any interest therein, including, without limitation, the beneficial interest in Mortgagor.

"Net Operating Income" shall mean (i) all revenues realized based on current monthly income annualized from rental income and expense recoveries from tenants under leases, licenses or occupancy agreements of any kind in effect at the time of such determination (and which will be in effect upon the completion of restoration), minus, (ii) all of the costs and expenses of owning and operating the applicable property for the same period of time, including, without limitation, management fees, utilities, repairs and maintenance, insurance, attorneys' fees and accountants' fees, license fees, real estate taxes and assessments, other taxes and advertising expenses, but excluding Debt Service, leasing commissions, expenditures for tenant improvements, capital expenditures and depreciation. Expenses payable less often than monthly or which vary

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seasonally shall not be included in the month in which they are payable but shall instead be deemed payable in equal proportions in each month. Any calculation of Net Operating Income by Mortgagor shall be accompanied by such information and supporting documents as Mortgagee requests (including, without limitation, copies of applicable loan documents and all documentation and financial information such as annual operating statements, certified rent rolls and leases not previously submitted to Mortgagee) in order that Mortgagee may review and verify any calculation of Net Operating Income.

5.23 Claim Settlement.

Notwithstanding anything in Sections 1.05(b) and 1.14(a) to the contrary, Mortgagor may settle, adjust or compromise any claims for loss, damage or destruction under any policy or policies of insurance and may compromise or settle any action in connection with a condemnation; provided, however, that: (i) Mortgagor shall obtain Mortgagee's prior written consent to allow Mortgagor to settle, adjust or compromise any such claim, such consent not to be unreasonably withheld; (ii) Mortgagor may settle, adjust or compromise any such claim only if no event of default, as defined in Section 4.01 or 5.13 hereof, has occurred; and (iii) if Mortgagor has not settled, adjusted or compromised any such claim within ninety (90) days after the happening of any casualty to the premises or any part thereof or the bringing of such condemnation action, as the case may be, then Mortgagee may, at its election, settle, adjust or compromise any such claim as provided in Section 1.05(b) or 1.14(a).

ARTICLE VI

ILLINOIS MORTGAGE FORECLOSURE LAW

In order to afford Mortgagee and the holders of the Notes secured hereby the benefits of the Illinois Mortgage

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Foreclosure Law, Ill. Rev. Stats. Ch. 110, Article XV, § 15-1101 et seq., as amended from time to time ("Act") and otherwise bring this Mortgage into conformity with the Act, it is agreed as follows:

6.1 Inclusion of Various Advances of Mortgagee as Additional Mortgage and Judgment Indebtedness. All advances, disbursements and expenditures (collectively "advances") made by Mortgagee before and during a foreclosure and at any time prior to sale, and where applicable after sale, for the following purposes, with interest thereon at the Post Maturity Rate, in addition to those otherwise authorized by this Mortgage or by the Act, shall have the benefit of all applicable provisions of the Act, including those provisions of the Act hereinbelow referred to:

(a) All advances by Mortgagee in accordance with the term of this Mortgage to: (i) preserve or restore the mortgaged real estate; (ii) preserve the lien of this Mortgage or the priority thereof; or (iii) enforce this Mortgage, as referred to in Subsection (b)(5) of Section 15-1302 of the Act;

(b) Payments of when due installments of principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrance; when due installments of real estate taxes and other Impositions (as said term is defined in Subsection (a) of Section 1.08 of this Mortgage); other obligations authorized by this Mortgage; or, with court approval any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, all as referred to in Section 15-1505 of the Act;

(c) Attorneys' fees and other costs incurred in connection with the foreclosure of this Mortgage as referred to in Sections 1504 (d)(2) and 15-1510 of the Act;

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(d) Mortgagee's fees and costs arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Subsection (b)(1) of Section 15-1508 of the Act;

(e) Advances by Mortgagee of insurance premiums as provided in Section 1.04 of this Mortgage;

(f) Advances by Mortgagee as provided in Section 1.07 of this Mortgage;

(g) Advances of any amount required to make up a deficiency in deposits for installments of taxes and assessments as provided in Section 1.08 (e) of this Mortgage;

(h) Advances of costs and expenses incurred by Mortgagee in connection with the exercise by Mortgagee of Mortgagee's rights under Section 1.12 of this Mortgage;

(i) Advances of any amount claimed to be due or of the cost of depositing in court a bond or otherwise giving security if Mortgagor shall fail to discharge certain liens as provided in Section 1.18 of this Mortgage;

(j) Advances of additional funds to protect the security of this Mortgage or discharge the obligations of Mortgagor under this Mortgage or the Loan Instruments as provided in Section 1.19 of this Mortgage;

(k) Payment of all of Mortgagee's expenditures and expenses made pursuant to Section 4.03 of this Mortgage and any other items mentioned in Section 15-1504 (d)(2) of the Act;

(l) Expenses deductible from proceeds of sale referred to in subsections (a) and (b) of Section 15-1512 of the Act; and

(m) Expenses incurred and expenditures made by Mortgagee for any one or more of the following: (i) if the

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premises or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the owner thereof; (ii) if any interest in the premises is a leasehold estate under a lease or sublease, rentals or other payments required to be made by the lessee under the terms of the lease or sublease; (iii) premiums upon casualty and liability insurance paid by Mortgagee whether or not Mortgagee or a receiver is in possession, if reasonably required, without regard to the limitations to maintaining of insurance in effect at the time any receiver or mortgagee takes possession of the premises imposed by Subsection (c)(1) of Section 15-1704 of the Act; (iv) expenditures in connection with repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (v) payments required or deemed by Mortgagee to be for the benefit of the premises or required to be made by the owner of the premises under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the premises; (vi) shared or common expense assessments payable to any association or corporation in which the owner of the premises is a member in any way affecting the premises; (vii) operating deficits incurred by Mortgagee in possession or reimbursed by Mortgagee to any receiver; and (viii) if the loan secured hereby is a construction loan, costs incurred by Mortgagee for completion of construction as may be authorized by the applicable commitment or loan agreement.

The foregoing advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Act, apply to:

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(a) Determination of amount of indebtedness secured by this Mortgage at any time;

(b) Inclusion of the same in the indebtedness found due and owing to the Mortgagee in the judgment of foreclosure and any subsequent supplemental judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;

(c) If right of redemption has not been waived by this Mortgage, computation of amount required to redeem, pursuant to Subsections (d)(2) and (e) of Section 15-1603 of the Act;

(d) Determination of amounts deductible from sale proceeds pursuant to Section 15-1512 of the Act;

(e) Application of income in the hands of any receiver or mortgagee in possession; and

(f) Computation of any deficiency judgment pursuant to Subsections (b)(2) and (e) of Sections 15-1508 and Section 15-1511 of the Act.

6.2 Mortgagee's Right to Possession. In addition to the provisions of Section 2.04 and Subsection 4.02 (iii)(1) of this Mortgage, Mortgagee shall have all rights to be placed in possession of the real estate as provided in Section 15-1701 of the Act, or, at its request, to have a receiver appointed pursuant to Section 15-1702 of the Act, and such receiver, or mortgagee, if and when placed in possession, shall have all powers and duties as provided for in this Mortgage and in Section 15-1701 of the Act.

6.3 Waiver of Redemption. Mortgagor acknowledges that the premises do not constitute agricultural real estate, as said term is defined in Section 15-1201 of the Act or residential

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real estate as defined in Section 15-1219 of the Act. By virtue of the repeal of Sections 12-124 and 12-125 of the Illinois Code of Civil Procedure, the recital in Section 5.02 of this Mortgage of the waiver of redemption being made pursuant to one of said sections, shall be disregarded and, in lieu thereof, it is hereby agreed that such waiver is made pursuant to Subsection (b) of Section 15-1601 of the Act.

ARTICLE VII

HAZARDOUS MATERIALS

7.1 Mortgagor's Covenants and Representations.

Mortgagor covenants and represents (1) that the premises do not contain and that Mortgagor will not cause or permit the premises to contain (a) asbestos in any form; (b) ureaformaldehyde foam insulation; (c) transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million; or (d) any other chemical, material, or substance which is regulated as toxic or hazardous or exposure to which is prohibited, limited, or regulated by any federal, state, county, regional, local, or other governmental authority or which, even if not so regulated, may or could pose a hazard to the health and safety of the occupants of the premises or the owners of property adjacent to the premises. (The substances described in (a), (b), (c) or (d) above are referred to collectively herein as "Hazardous Materials"); (2) that the premises are not now being used nor have ever been used for any activities involving, directly or indirectly, the use, generation, treatment, storage, transportation, or disposal of any Hazardous Materials; (3) that neither the premises nor Mortgagor is subject to any existing, pending, or threatened investigation or inquiry by any governmental authority, or any remedial obligations under any

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applicable laws, rules, or regulations pertaining to health or the environment. Mortgagor shall not install, store, use, treat, transport, or dispose (or permit or acquiesce in the installation, storage, use, treatment, transportation or disposal by Mortgagor, its agents, employees, independent contractors or tenants) on the premises of any Hazardous Materials. In the event of any such installation, storage, use, treatment, presence, transportation or disposal, whether previously existing or hereafter occurring, and whether by Mortgagor or any predecessor in title, or any employees, agents, contractors or third parties, Mortgagor shall remove any such Hazardous Materials (other than asbestos, which shall only be removed (i) if required to comply with Section 7.3 below or (ii) if required by law, rule, regulation or order of competent authority), and otherwise comply with the regulations or orders of such authority, all at the expense of Mortgagor. If Mortgagor shall fail to proceed with such removal or otherwise comply with such regulations or orders as soon as reasonably possible, and in any case within the cure period permitted under the applicable federal, state or local regulation or order, Mortgagee may declare an "event of default" and may, but shall not be obligated to, do whatever is necessary to eliminate such Hazardous Materials from the premises or otherwise comply with the applicable regulation or order, and the cost thereof 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. Mortgagor shall give to Mortgagee and its agents and employees access to the premises for such purposes and hereby specifically grants to Mortgagee a license effective upon expiration of the applicable cure period to remove the Hazardous Materials. Mortgagor shall indemnify Mortgagee and hold Mortgagee harmless from and

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against all loss, damage, and expense (including, without limitation, attorneys' fees and costs incurred in the investigation, defense, and settlement of claims) that Mortgagee may incur as a result of or in connection with the assertion against Mortgagee of any claim relating directly or indirectly, in whole or in part, to the presence or removal of any Hazardous Materials, or relating to any activity on or off the premises, previously existing or hereafter occurring, and whether such activity was carried on by Mortgagor or any predecessor in title or any employees, agents, contractors or third parties, if such activity involved Hazardous Materials, in whole or in part, directly or indirectly, or noncompliance with any federal, state, or local laws, rules, regulations, or orders relating thereto.

Mortgagor shall promptly notify Mortgagee in writing of any order or pending or threatened action by any regulatory agency or other governmental body, or any claims made by any third party, relating to Hazardous Materials on, or emanations from, the premises, and shall promptly furnish Mortgagee with copies of any correspondence or legal pleadings in connection therewith.

In addition, Mortgagee shall have the right, but shall not be obligated, to notify any state, federal or local governmental authority of information which may come to its attention with respect to Hazardous Materials on or emanating from the premises and Mortgagor irrevocably releases Mortgagee from any claims of loss, damage, liability, expense or injury relating to or arising from, directly or indirectly, any such disclosure.

The liability of Mortgagor to Mortgagee under the covenants of this Section 7.1 shall survive any foreclosure of this Mortgage or any transfer of the premises by deed in lieu of foreclosure.

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7.2 Inspections or Audits.

At any time hereafter, terminating only upon repayment in full of the indebtedness secured hereby (and for such purpose repayment from proceeds of foreclosure sale shall not be deemed repayment of such indebtedness), Mortgagee may require Mortgagor to provide Mortgagee, at the expense of Mortgagor, an inspection or audit of the premises, prepared by a qualified consultant approved by Mortgagee, certifying as to the presence or absence of Hazardous Materials, or to permit Mortgagee to so inspect or audit the premises at Mortgagor's expense, and Mortgagor hereby grants Mortgagee, its employees, agents and independent contractors, the right to enter upon the premises for the purpose of conducting tests, soil borings, the installation of monitoring wells and such other tests as Mortgagee deems necessary or desirable; provided, however, that Mortgagee shall not require such audit unless in Mortgagee's reasonable judgment such audit is necessary.

7.3 Asbestos Program

If the premises now or hereafter contain any material or product containing more than 0.1 percent asbestos by weight, Mortgagor shall prepare, implement, and comply with on an ongoing basis a written asbestos operations and maintenance program prepared by a qualified environmental consultant. Such program shall assure that (a) all persons are protected from any release of asbestos fibers, and (b) asbestos fibers are not distributed or released on the premises during maintenance, repairs, alterations or improvements. Any removal of asbestos or any work on the premises affecting asbestos shall be accomplished in full accordance with such program.

THIS MORTGAGE is executed by LA SALLE NATIONAL BANK, a national banking association duly authorized to accept and execute trusts in the State of Illinois, not personally but as

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Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said Bank hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein or in the Note contained shall be construed as creating any liability on Mortgagor or on said Bank, personally to pay the said Note or any interest that may accrue thereon, or any indebtedness accruing thereunder, or to perform any covenant either express or implied herein contained (it being understood and agreed that each of the provisions hereof, except the warranty hereinabove contained in this execution clause, shall constitute a condition and not a covenant or agreement, regardless of whether the same may be couched in language of a promise or covenant of agreement), 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 Mortgagor and its successors and said Bank personally are concerned, the Holders of the Note and the owner or owners of any indebtedness accruing hereunder shall look solely to any one or more of: (1) the premises and the rents, issues and profits thereof, for the payment thereof, by the enforcement of the lien hereby created, in the manner herein and in the Note

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provided; (2) assets of the Trust Estate held under the above-described Trust Agreement; (3) any other security given to secure said indebtedness, (4) the Indemnity Agreement of even date herewith executed by Mortgagor's beneficiary.

IN WITNESS WHEREOF, LA SALLE NATIONAL BANK, not personally but as Trustee as aforesaid, has caused these presents to be executed and attested the day and year first above written.

LA SALLE NATIONAL BANK, not personally, but as Trustee as aforesaid

By: _____

Its _____

ATTEST:

_____

Its _____

This instrument was prepared by and return to:

Mark C. Simon
Sonnenschein Carlin Nath
& Rosenthal
8000 Sears Tower
Chicago, Illinois 60606

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, [illegible], a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Corinne Bar, of LA SALLE NATIONAL BANK, and [illegible] Walter of said Bank, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such [illegible] and [illegible] 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 as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 13th day of April, 1988.

My commission expires:
4-28, 1990

NOTARY PUBLIC
[Seal]

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EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

LOT 1 IN BARRINGTON POINT SUBDIVISION IN THE EAST 1/2 OF FRACTIONAL SECTION 1, TOWNSHIP 41 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 24, 1987 AS DOCUMENT NUMBER 87106425, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

EASEMENT FOR INGRESS AND EGRESS IN FAVOR OF PARCEL 1 AS CREATED BY DEED RECORDED DECEMBER 27, 1985 AS DOCUMENT NUMBER 85341166, AND AS SHOWN ON THE PLAT OF BARRINGTON POINTE SUBDIVISION AFORESAID OVER AND ACROSS THE FOLLOWING DESCRIBED LAND:

THAT PART OF THE EAST 1/2 OF THE EAST 1/2 OF FRACTIONAL SECTION 1, TOWNSHIP 41 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF HIGGINS ROAD AS DEDICATED BY INSTRUMENT RECORDED MARCH 27, 1941 AS DOCUMENT NUMBER 12647603, WITH THE WEST LINE OF BARRINGTON ROAD AS DEDICATED BY INSTRUMENT RECORDED JULY 8, 1932 AS DOCUMENT NUMBER 11113016; THENCE NORTHERLY ALONG SAID WESTERLY LINE OF BARRINGTON ROAD, BEING A LINE 50.0 FEET, AS MEASURED AT RIGHT ANGLES, WEST OF AND PARALLEL WITH THE EAST LINE OF SAID FRACTIONAL SECTION 1, 446.91 FEET TO AN INTERSECTION WITH THE SOUTH LINE OF THE PERPETUAL EASEMENT FOR HIGHWAY PURPOSES AS PER WARRANTY DEED DATED MAY 31, 1957 AND RECORDED JUNE 10, 1957 AS DOCUMENT NO. 16926933; THENCE WESTERLY ALONG SAID LAST DESCRIBED LINE, BEING A LINE AT RIGHT ANGLES TO SAID WEST LINE OF BARRINGTON ROAD, 30.0 FEET TO THE WEST LINE OF SAID PERPETUAL EASEMENT, THENCE NORTHERLY ALONG SAID LAST DESCRIBED LINE, BEING A LINE 80.0 FEET, AS MEASURED AT RIGHT ANGLES, WEST OF AND PARALLEL WITH THE EAST LINE OF SAID FRACTIONAL SECTION 1, 195.60 FEET TO A POINT FOR A PLACE OF BEGINNING; THENCE CONTINUING NORTHERLY ALONG SAID LAST DESCRIBED PARALLEL LINE 54.00 FEET; THENCE WESTERLY AT RIGHT ANGLES TO SAID LAST DESCRIBED PARALLEL LINE, 130.03 FEET; THENCE SOUTHERLY AT RIGHT ANGLES TO SAID LAST DESCRIBED LINE, 54.00 FEET; THENCE EASTERLY AT RIGHT ANGLES TO SAID LAST DESCRIBED LINE, 130.03 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

Tax Number: 06-01-200-013
Street Address: Barrington Pointe
2300 North Barrington Road

Hoffman Estates, Illinois

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Ash, Ans, Freedman & Logan
77 W. Washington
Chgo Ill 60602

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