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RSB 880330/81950

## MORTGAGE AND SECURITY AGREEMENT

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THIS INDENTURE made as of the 12<sup>th</sup> day of MAY, 1988, by and between PARKWAY BANK AND TRUST COMPANY, not personally or individually, but as Trustee under Trust Agreement dated March 19, 1987, and known as Trust No. 8217, whose address is Harlem at Lawrence Avenue, Harwood Heights, Illinois 60656 (herein referred to as "Mortgagor") and CONTINENTAL AMERICAN LIFE INSURANCE COMPANY, a Pennsylvania corporation, whose address is 1600 Market Street, P.O. Box 7378, Philadelphia, P.A. 19101 (herein referred to as "Mortgagee").

### WITNESSETH:

THAT WHEREAS, the Mortgagor is justly indebted to the Mortgagee in the principal sum of ONE MILLION FIFTY THOUSAND AND NO/100 (\$1,050,000.00) DOLLARS, evidenced by that certain mortgage note of the Mortgagor of even date herewith, made payable to the order of CONTINENTAL AMERICAN LIFE INSURANCE COMPANY and delivered to the Mortgagee, in and by which said note the Mortgagor promises to pay the said principal sum and interest at the rate and in installments as provided in said note, with a final payment of the balance, if not sooner paid, to be due on the 1<sup>st</sup> day of JUNE, 1998, and all of said principal and interest are made payable at such place as the holders of the note may, from time to time in writing appoint, and in absence of such appointment, then at the office of Baird & Warner, 100 West Madison Street, Chicago, Illinois 60606-3440.

NOW, THEREFORE, the Mortgagor, to secure the payment of said principal sum of money and said interest in accordance with the terms, provisions and limitations of this Mortgage, and of the note secured hereby, and any other sums advanced by Mortgagee to protect the security of this Mortgage or discharge the obligations of Mortgagor hereunder, and the performance of the covenants and agreements herein contained, by the Mortgagor to be performed, and also in consideration of the sum of One Dollar (\$1.00) in hand paid, the receipt whereof is hereby acknowledged, does by these presents MORTGAGE, GRANT, CONVEY and RELEASE unto the Mortgagee, its successors and assigns, the following-described real estate and all of its estate, right, title and interest therein, situate, lying and being in the County of Cook and State of Illinois, to-wit:

THE REAL ESTATE MORTGAGED HEREBY IS DESCRIBED ON EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF.

which, with the property hereinafter described, is referred to herein as the "premises" or as the "mortgaged premises."

TOGETHER with all improvements, tenements, easements, hereditaments and appurtenances thereunto belonging and all rents, issues and profits thereof for so long and during all such times as the Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily), and all

THIS DOCUMENT PREPARED BY: AND MAILED TO:

Robert S. Blatt  
Katz Randall & Weinberg  
200 North LaSalle Street  
Suite 2300  
Chicago, Illinois 60601

KRW File No. 4875.001

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partitions, attached floor coverings, now or hereafter therein or thereon, all elevators, and all fixtures, apparatus and equipment used to supply heat, gas, air conditioning, water, light, power, sprinkler protection, waste removal, refrigeration, and ventilation, including (without restricting the foregoing) all fixtures, apparatus and equipment used in the operation of any business conducted on the premises (other than trade fixtures, furnishings and furniture installed by space tenants therein), the structures or buildings, additions and improvements, and replacements thereof, erected upon the realty, including any on-site total energy systems providing electricity, heating and air conditioning, and all plant, equipment, apparatus, machinery and fixtures of every kind and nature whatsoever forming part of said structures or buildings or of any structures or buildings heretofore or hereafter standing on the realty or on any part thereof, and

TOGETHER with (1) all of Mortgagor's rights further to encumber said property for debt except by such encumbrance, which, by its actual terms and specifically expressed intent, shall be, and at all times remain, subject and subordinate to (a) any and all tenancies in existence when such encumbrance becomes effective, and (b) any tenancies thereafter created, and (2) all of Mortgagor's rights to enter into any lease or lease agreement which would create a tenancy that is or may become subordinate in any respect to any mortgage or deed of trust other than this Mortgage. Mortgagor hereby represents, as a special inducement to the Mortgagee to make the loan secured hereby, that as of the date hereof there are no encumbrances to secure debt junior to this Mortgage and covenanting that there are to be none as of the date when this Mortgage becomes of record, except in either case encumbrances having the prior written approval of the Mortgagee herein.

TO HAVE AND TO HOLD the premises unto the said Mortgagee, its successors and assigns forever, for the purposes and uses herein set forth.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. Maintenance, Repair and Restoration of Improvements, Payment of Prior Liens, etc.: Mortgagor shall (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the premises which may become damaged or be destroyed; (b) keep said premises in good condition and repair, without waste, and free from mechanics' liens or claims for lien not expressly subordinated to the lien hereof; (c) pay when due any indebtedness which may be secured by a lien or charge on the premises superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such prior lien to Mortgagee; (d) complete within a reasonable time any building or buildings now or at any time in process of erection upon said premises; (e) comply with all requirements of law, municipal ordinances, or restrictions of record with respect to the premises and the use thereof; (f) make no material alterations in said premises except as required by law or municipal ordinance; (g) suffer or permit no change in the general nature of the occupancy of the premises, without Mortgagee's written consent; (h) initiate or acquiesce in no zoning reclassification, without Mortgagee's written consent; (i) pay each item of indebtedness secured by this Mortgage when due according to the terms hereof or of the note secured hereby.

2. Representations and Covenants: Mortgagor hereby represents and covenants to Mortgagee that:

2.1 Power, etc.: Mortgagor (a) is a Trustee under a Trust duly organized, validly existing and in good standing under

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after request therefor by Mortgagee, and on the first day of each month thereafter until the indebtedness secured by this Mortgage is fully paid, and all obligations secured by this Mortgage are fully discharged, a sum equal to one-twelfth of the last total annual taxes and assessments for the last ascertainable year (general and special) on said premises (unless said taxes are based upon assessments which exclude the improvements or any part thereof now constructed, or to be constructed, in which event the amount of such deposits shall be based upon the Mortgagee's reasonable estimate as to the amount of taxes and assessments to be levied and assessed). Mortgagor, concurrently with the disbursement of the loan, will also deposit with Mortgagee an amount, based upon the taxes and assessments so ascertainable or so estimated by the Mortgagee, as the case may be, for taxes and assessments on said premises, on an accrual basis, for the period from January 1, succeeding the year for which all taxes and assessments have been paid, to and including the date of the first deposit in this paragraph hereinabove mentioned. Such deposits are to be held without any allowance of interest and need not be kept separate and apart, and are to be used for the payment of taxes and assessments (general and special) on said premises next due and payable when they become due. If the funds so deposited are insufficient to pay any such taxes or assessments (general and special) for any year when the same shall become due and payable, the Mortgagor shall, within ten (10) days after receipt of demand therefor, deposit such additional funds as may be necessary to pay such taxes and assessments (general and special) in full. If the funds so deposited exceed the amount required to pay such taxes and assessments (general and special) for any year, the excess shall be applied on subsequent deposit or deposits. Receipts showing and evidencing payment of all such taxes and assessments (general and special) shall be exhibited to Mortgagee within thirty (30) days after the due date for payment of same.

5. Mortgagee's Interest in and Use of Deposits: In the event of a default in any of the provisions contained in this Mortgage or in the note secured hereby, the Mortgagee may at its option, without being required to do so, apply any monies at the time on deposit pursuant to this Mortgage on any of Mortgagor's obligations herein or in the note contained, in such order and manner as the Mortgagee may elect. When the indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to Mortgagor or to the then owner or owners of the mortgaged premises. Such deposits are hereby pledged as additional security for the indebtedness hereunder and shall be held in trust to be irrevocably applied by the depository for the purposes for which made hereunder and shall not be subject to the direction or control of the Mortgagor; provided, however, that neither the Mortgagee nor said depository shall be liable for any failure to apply to the payment of taxes and assessments any amount so deposited unless Mortgagor, while not in default hereunder, shall have requested said depository in writing to make application of such funds to the payment of the particular taxes or assessments for payment of which they were deposited, accompanied by the bills for such taxes and assessments. All deposits made by or for the benefit of Mortgagee hereunder shall be held without allowance of interest and need not be kept separate and apart, but may be commingled with any funds then in control of Mortgagee.

6. Insurance: Mortgagor shall keep the premises and all buildings and improvements now or hereafter situated on the premises insured against loss or damage by fire and extended coverage, malicious mischief and vandalism and such other hazards in such amounts as may reasonably be required by Mortgagee, but in any case for the full insurable value thereof, including, without limitation

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on the generality of the foregoing, war damage insurance whenever in the opinion of Mortgagee such protection is necessary and such insurance is available. Mortgagor shall also provide and keep in effect plate glass and comprehensive public liability insurance with such limits for personal injury and death and property damage as Mortgagee may require, and will also keep in effect rent loss insurance in an amount not less than the total annual rents and additional rents and/or business interruption insurance, employer's liability and workmen's compensation insurance, when appropriate to the use of the premises, in such amounts as Mortgagee may require. All policies of insurance to be furnished hereunder shall be in forms, companies having a rating of at least B+, Class IX, in Best's Key Rating Guide, Property and Casualty, 1986, 86th Annual Edition, licensed to do business in Illinois, terms and amounts satisfactory to Mortgagee, with all policies and endorsements mutually signed, and with standard mortgagee loss payable clauses attached to all policies in favor of and in form satisfactory to Mortgagee, and with an endorsement which states: "The policy of insurance shall not be cancelled, altered, changed, amended or modified, nor shall any coverage therein be reduced, deleted, amended, modified, changed or cancelled by either the party named as the insured, or the insurance company issuing this policy without at least thirty (30) days prior written notice having been first received by the Mortgagee." Mortgagor shall deliver the original of all policies, including additional and renewal policies, to Mortgagee, and, in the case of insurance about to expire, shall deliver renewal policies not less than thirty (30) days prior to their respective dates of expiration. If any renewal policy is not delivered to Mortgagee thirty (30) days before the expiration of any existing policy or policies, with evidence of premium paid, Mortgagee may, but is not obligated, to obtain the required insurance on behalf of Mortgagor (or insurance in favor of Mortgagee alone) and pay the premiums thereon. Any monies so advanced shall be so much additional indebtedness secured hereby and shall become immediately due and payable with interest thereon at the Default Rate as defined in Paragraph 41 hereof.

So long as any sum remains due hereunder or under the note secured hereby, Mortgagor covenants and agrees that it shall not place, or cause to be placed or issued, any separate casualty, fire, rent loss, liability, or war damage insurance from the insurance required to be maintained under the terms hereof, unless in each such instance the Mortgagee herein is included therein as the payee under a standard mortgagee's loss payable clause. Mortgagor covenants to advise Mortgagee whenever any such separate insurance coverage is placed, issued or renewed, and agrees to deposit the original of all such policies with Mortgagee.

Mortgagor will deposit with Mortgagee upon request of Mortgagee, an amount sufficient to pay premiums due or which may become due relating to any insurance required hereunder in such manner and at such times as Mortgagee may, in its sole discretion, deem advisable. Such deposits shall be held without any allowance of interest and need not be kept separate and apart. In no event shall Mortgagee be liable for any damages arising out of Mortgagee's manner or method of estimating or making such payments.

In the event of a foreclosure of this Mortgage, or in case of any transfer of title to the mortgaged premises in extinguishment of the debt secured hereby, all right, title and interest of Mortgagor to any insurance policy covering the mortgaged premises shall pass to the Mortgagee or transferee of the mortgaged premises.

7. Adjustment of Losses with Insurer and Application of Proceeds of Insurance: A. In case of loss, the Mortgagee (or after entry of decree of foreclosure, purchaser at the sale, or the decree

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creditor, as the case may be) is hereby authorized either (i) to settle and adjust any claim under such insurance policies with consent of Mortgagor acting reasonably, or (ii) to allow Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss. In either case Mortgagee is authorized to collect and receipt for any such insurance money. If (i) Mortgagor is obligated to restore or replace the damaged or destroyed buildings or improvements under the terms of any lease or leases which are or may be prior to the lien of this Mortgage, and (ii) such damage or destruction does not result in cancellation or termination of such lease, and (iii) the insurers do not deny liability as to the insureds, such proceeds, after deducting therefrom any expenses incurred in the collection thereof, shall, subject to the provision of subparagraph B and C hereof, be used to reimburse Mortgagor for the cost of rebuilding or restoration of buildings and improvements on said premises. In all other cases, such insurance proceeds may, at the option of Mortgagee, either be applied in reduction of the indebtedness secured hereby, whether due or not, or be held by the Mortgagee and used to reimburse Mortgagor for the cost of the rebuilding or restoration of the buildings or improvements on said premises. In the event Mortgagee elects to apply said insurance proceeds in reduction of the indebtedness secured hereby, all expenses and fees of collection shall first be deducted and paid to Mortgagee, and it is further covenanted and agreed that should the net insurance proceeds be insufficient to pay the then existing indebtedness secured hereby, together with all accrued interest thereon, fees and charges, Mortgagee may, at its sole election, declare the entire unpaid balance of the debt secured hereby to be immediately due and payable, and the failure of the payment thereof shall be a default hereunder.

B. In the event Mortgagee elects to permit any such insurance proceeds, to be applied to pay for the cost of rebuilding or restoration of the buildings and improvements on the mortgaged premises, such funds will be made available for disbursement by Mortgagee; provided however, that (i) should any insurance company have, in the reasonable opinion of Mortgagee, a defense against Mortgagor (but not against Mortgagee) to any claim for payment due to damage or destruction of the mortgaged premises or any part thereof by reason of fire or other casualty submitted by Mortgagee or any party on behalf of Mortgagee, or should such company raise any defense against Mortgagee (but not against Mortgagor) to such payment, or (ii) should the net proceeds of such insurance collected by Mortgagee together with any funds deposited by Mortgagor with Mortgagee be less than the estimated cost of the requisite work as determined by Mortgagee, which estimate shall include a reasonable contingency, then in either case Mortgagee may, at its option, whether or not Mortgagor has received funds from any insurance settlements, declare the unpaid balance of the debt secured hereby to be immediately due and payable, and Mortgagee may then treat the same as in the case of any other default hereunder. In the event such proceeds are applied toward restoration or rebuilding, the buildings and improvements shall be so restored or rebuilt as to be of at least equal value and substantially the same character as prior to such damage or destruction. Such proceeds shall be made available, from time to time, upon such reasonable conditions as are imposed by Mortgagee and upon the 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, including, insurance against mechanic's liens. All plans and specifications for such rebuilding or restoration shall be presented to and approved by Mortgagee prior to the commencement of

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any such repair or rebuilding. Disbursement of such insurance proceeds shall not exceed ninety (90%) percent of the value of the work performed from time to time, and at all times the undisbursed balance of said proceeds remaining in the hands of the Mortgagee shall be at least sufficient to pay for the cost of completion of the work free and clear of liens.

C. In case of loss after foreclosure proceedings have been instituted, the proceeds of any such insurance policy or policies, if not applied as aforesaid in rebuilding or restoring the building or improvements, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid to the owner of the equity of redemption if he shall then be entitled to the same, or as the court may direct. In case of the foreclosure of this Mortgage, the court in its decree may provide that the Mortgagee's clause attached to each of said insurance policies may be cancelled and that the decree creditor may cause a new loss clause to be attached to each of said policies making the loss thereunder payable to said decree creditor; and any such foreclosure decree may further provide that in case of one or more redemptions under said decree, pursuant to the statute in such case made and provided, then and in every such case, each successive redeemer may cause the preceding loss clause attached to each insurance policy to be cancelled and a new loss clause to be attached thereto, making the loss thereunder payable to such redeemer. In the event of foreclosure sale, Mortgagee is hereby authorized, without the consent of Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as Mortgagee may deem advisable, to cause the interest of such purchaser to be protected by any of the said insurance policies.

Anything in this Paragraph 7 to the contrary notwithstanding, it is an operating covenant hereof that in case the Premises have been submitted to the Condominium Property Act of the State of Illinois, and pursuant thereto in the event a Condominium Declaration covering the Premises has been duly executed and filed, then and in such case the proceeds of any insurance resulting from fire or other insured casualty, shall be used to repair such damage, and restore the Premises, notwithstanding the state or condition of this Mortgage or the Note secured hereby; and with the further proviso that any excess insurance loss proceeds after payment of the full cost of the repair and restoration of the Premises shall be used for the purposes set forth in the Condominium Declaration. It is the express purpose and intention of this Mortgage and the express understanding of the parties hereto that so long as a Condominium Declaration covering the Premises is of record and in full force and effect, the negotiations for, settlement, receipt of, use and disposition of insurance loss proceeds shall be governed by the terms and provisions of the Condominium Declaration, the interest or estate of the Mortgagee notwithstanding.

Nothing contained in this Mortgage shall create any responsibility or obligation on the Mortgagee to collect any amount owing on any insurance policy to rebuild, repair or replace any damaged or destroyed portion of the premises or any improvements thereon or to perform any act hereunder.

8. Method of Taxation:

8.1 Stamp Tax: If, by the laws of the United States of America, or of any state, municipality or other governmental body having jurisdiction over the Mortgagor or its property, any tax imposition or assessment is due or becomes due in respect of the

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issuance of the note hereby secured, this Mortgage or upon the interest of Mortgagee in the premises, or any tax, assessment or imposition is imposed upon Mortgagee relating to the lien created hereunder, or any of the foregoing, the Mortgagor covenants and agrees to pay such tax, levy, assessment or imposition in the manner required by any such law and the failure to so pay same shall constitute a default hereunder and at the option of the Mortgagee all sums secured hereby shall be immediately due and payable. The Mortgagor further covenants to hold harmless and agrees to indemnify the Mortgagee, its successors or assigns, against any liability incurred by reason of the imposition of any tax on the issuance of the note secured hereby.

8.2 Change in Method of Taxation: In the event of the enactment after this date of any law of the state in which the premises are located deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Mortgagee's interest in the property, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby or the holder hereof, then, and in any such event, the Mortgagor, upon demand by the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee therefor; provided, however, that if in the opinion of counsel for the Mortgagee (a) it might be unlawful to require Mortgagor to make such payment; or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, the Mortgagee may elect, by notice in writing given to the Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable sixty (60) days from the giving of such notice.

9. No Merger: It being the desire and intention of the parties hereto that this Mortgage and the lien hereof do not merge in fee simple title to the premises, it is hereby understood and agreed that should Mortgagee acquire an additional or other interests in or to the premises or the ownership thereof, then, unless a contrary intent is manifested by Mortgagee, as evidenced by an express statement to that effect in an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

10. Prepayment Privilege: At such time beginning with the fifth loan year, the Mortgagor shall have the privilege of making prepayments on the principal of said note (in addition to the required payments) in accordance with the terms and conditions set forth in said note.

11.1 Assignment of Rents and Leases: To further secure the indebtedness secured hereby, Mortgagor does hereby sell, assign and transfer unto the Mortgagee all the rents, issues and profits now due with respect to the premises and does hereby sell, assign and transfer onto Mortgagee all Mortgagor's right, title and interest as lessor under or by virtue of any lease, whether written or verbal, or any letting of, or of any agreement for the use or occupancy of the premises or any part thereof, which may have been heretofore or may be hereafter made or agreed to or which may be made or agreed to by the Mortgagor or its agents or beneficiaries under the powers herein granted, it being the intention hereby to establish an absolute transfer and assignment of all of such leases

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and agreements, and all the avails thereunder, unto the Mortgagee, and Mortgagor does hereby appoint irrevocably the Mortgagee its true and lawful attorney in its name and stead (with or without taking possession of the premises as provided in Paragraph 17 hereof) to rent, lease or let all or any portion of the premises to any party or parties at such rental and upon such terms as said Mortgagee shall, in its discretion, determine, and to collect all of said avails, rents, issues and profits arising from or accruing at any time hereafter, and all now due or that may hereafter exist on the premises, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as the Mortgagee would have upon taking possession pursuant to the provisions of Paragraph 17 hereof.

11.2 The Mortgagor represents and agrees that no rent has been or will be paid by any person in possession of any portion of the premises for more than one installment in advance and that the payment of none of the rents to accrue for any portion of the said premises has been or will be, without Mortgagee's consent, waived, released, repudiated, discounted, or otherwise discharged or compromised by the Mortgagor. The Mortgagor waives any rights of set off against any person in possession of any portion of the premises. Mortgagor agrees that it will not assign any lease or any rents or profits of the premises, except to Mortgagee or with the prior written consent of the Mortgagee.

11.3 Nothing herein contained shall be construed as constituting the Mortgagee as a mortgagee in possession in the absence of the taking of actual possession of the premises by the Mortgagee pursuant to Paragraph 17 hereof. In the exercise of the powers herein granted the Mortgagee, no liability shall be asserted or enforced against the Mortgagor, all such liability being expressly waived and released by Mortgagor.

11.4 The Mortgagor further agrees to assign and transfer to the Mortgagee all future leases upon all or any part of the premises hereinbefore described and to execute and deliver, at the request of the Mortgagee, all such further assurances and assignments in the premises as the Mortgagee shall from time to time require.

11.5 Although it is the intention of the parties that the assignment contained in this Paragraph 11 shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that so long as Mortgagor is not in default hereunder, or under the note secured hereby, or under the assignment of lease executed and delivered to Mortgagee concurrently herewith, it shall have the privilege of collecting and retaining the rents accruing under the leases assigned hereby, until such time as Mortgagee shall elect to collect such rents pursuant to the terms and provisions of this Mortgage.

11.6 The Mortgagor expressly covenants and agrees that if Mortgagor, as lessor under any lease for all or any part of the mortgaged premises, 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 assignment of any lease or leases given as additional security for the payment of the indebtedness secured hereby, such breach or default shall constitute a default hereunder and entitle Mortgagee to all rights available to it in such event.

11.7 At the option of the Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with

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respect to priority of entitlement to insurance proceeds or any award in eminent domain), to any one or more leases affecting any part of the premises, upon the execution by Mortgagee and recording or registration thereof, at any time hereafter, in the office wherein this Mortgage was registered or filed for record, of a unilateral declaration to that effect.

12. Additional Rights of Mortgagee: The Mortgagor hereby covenants and agrees that:

12.1 If the payment of said indebtedness or any part thereof be extended or varied or if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in the premises, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by the Mortgagee notwithstanding such extension, variation or release.

12.2 In the event the ownership of the mortgaged premises or any part thereof, becomes vested in a person or entity other than Mortgagor (without hereby implying Mortgagee's consent to any assignment, transfer or conveyance of the mortgaged premises) the Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest with reference to this Mortgage and to said debt in the same manner as with Mortgagor without in any way vitiating or discharging Mortgagor's liability hereunder or upon the debt. No sale of the mortgaged premises, and no forbearance on the part of the Mortgagee, and no extension of the time for the payment of the debt hereby secured given by the Mortgagee, shall operate to release, modify, change, or affect the original liability, if any, of Mortgagor, either in whole or in part.

12.3 The Mortgagee, at its sole option and without notice, (a) may release any part of the mortgaged premises, or any person liable for the debt, without in any way affecting the lien hereof upon any part of the mortgaged premises not expressly released; (b) may agree with any party obligated on the debt, or having any interest in the mortgaged premises, to extend the time for payment of any part or all of the debt; (c) may accept a renewal note or notes therefor; (d) may take or release other or additional security for the indebtedness; (e) may consent to any plat, map or plan of the premises; (f) may consent to the granting of any easement; (g) may join in any extension or subordination agreement; (h) may agree in writing with Mortgagor to modify the rate of interest or period of amortization of the Note or change the time of payment or the amount of the monthly installments payable thereunder; or (i) may waive or fail to exercise any right, power or remedy granted by law or herein or in any other instrument given at any time in evidence or secure the payment of the indebtedness. Any such agreement shall not in any way release or impair the lien hereof, but shall, as applicable, extend the lien hereof as against the title of all parties having any interest in the mortgaged premises which interest is subject to this Mortgage.

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

13.1 Mortgagee's Performance of Defaulted Acts: In case of default herein, Mortgagee may, but need not, make any payment or

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perform any act herein required of Mortgagor in any form and manner deemed expedient. By way of illustration and not in limitation of the foregoing, Mortgagee may (but need not) do all or any of the following: make payments of principal or interest or other amounts on any lien, encumbrance or charge on any part of the premises; complete construction; make repairs; collect rents; prosecute collection of any sums due with respect to the premises; purchase, discharge, compromise or settle any tax lien or any other lien, encumbrance, suit, proceeding, title or claim thereof; contest any tax or assessment; and redeem from any tax sale or forfeiture affecting the premises. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other monies advanced by Mortgagee to protect the mortgaged premises and the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at Default Rate as defined in Paragraph 41 hereof. In making any payment or securing any performance relating to any obligation of Mortgagor hereunder, Mortgagee shall (as long as it acts in good faith) be the sole judge of the legality, validity and amount of any lien or encumbrance and of all other matters necessary to be determined in satisfaction thereof. No such action of Mortgagee, and no inaction of Mortgagee hereunder, shall ever be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor. All sums paid by the Mortgagee for the purposes herein authorized, or authorized by any loan agreement executed in connection herewith shall be considered additional advances made under the note secured hereby and pursuant to this Mortgage and shall be secured by the Mortgage with the proviso that the aggregate amount of the indebtedness secured hereby together with all such additional sums advances shall not exceed two hundred (200%) percent of the amount of the original indebtedness secured hereby.

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

14. Acceleration of Indebtedness in Case of Default: If (a) default be made in the due and punctual payment of said note, or any installment due in accordance with the terms thereof, either of principal or interest or in the payment of any sum required to be paid herein for taxes or insurance, all without any notice whatsoever (or five days after written notice given by Mortgagee or Mortgagor in the payment of any other sum required to be paid by Mortgagor or the maker of said note herein required or set forth in said note or pursuant to the terms of any collateral or security agreement executed in connection with this Mortgage or the indebtedness secured hereby); or (b) the Mortgagor, or any beneficiary of the Mortgagor, or any guarantor of the obligation secured hereby shall file a petition in voluntary bankruptcy or under Title 11 of the United States Code or any other similar law, statute or regulation, state or federal, whether now or hereafter existing, or an answer admitting insolvency or inability to pay its debts, or fail to obtain a vacation or stay of involuntary proceedings within thirty (30) days as hereinafter provided; or (c) the Mortgagor or any beneficiary of the Mortgagor or any guarantor of the obligation secured hereby shall be adjudicated a bankrupt, or a trustee or receiver shall be appointed for the Mortgagor, such beneficiary or guarantor or for all of its (their) property or the major part thereof in any involuntary proceeding, or any court shall have taken jurisdiction of the property of the Mortgagor, any

beneficiary of the Mortgagor or any guarantor of the obligation secured hereby or the major part thereof in any involuntary proceedings for the reorganization, dissolution, liquidation or winding up of the Mortgagor, such beneficiary or guarantor, and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within thirty (30) days; or (d) the Mortgagor, any beneficiary of the Mortgagor or any guarantor of the indebtedness secured hereby shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver or trustee or liquidator of all of its property or the major part thereof; or (e) default shall be made in the due observance or performance of any other of the covenants, agreements or conditions hereinbefore or hereinafter contained, or contained in any loan, collateral or security agreement executed in connection with this Mortgage or the indebtedness secured hereby and required to be kept or performed or observed by the Mortgagor and the same shall continue for thirty (30) days after written notice given by the Mortgagee to the Mortgagor, or if the nature of the default is such that it cannot be cured within thirty (30) days, then unless Mortgagor commences to cure said default within said thirty (30) day period and diligently pursues the curing thereof and advises Mortgagee at reasonable intervals of its progress in so doing and cures said default within an additional thirty (30) days; or (f) if any representation or warranty made by Mortgagor or others in, under or pursuant to the note secured hereby, this Mortgage, or any document further securing the obligations secured hereby, shall prove to have been false or misleading in any material aspect as of the date on which such representation or warranty was made; or (g) if the holder of a mortgage or of any other lien on the mortgaged premises (without hereby implying Mortgagee's consent to any such mortgage or other lien) institutes foreclosure proceedings or other proceedings for the enforcement of its remedies thereunder and the same remain undischarged or unbonded to Mortgagee's satisfaction for a period of seven (7) days, then and in every such case the whole of said principal sum hereby secured shall, at once, at the option of the Mortgagee, become immediately due and payable, together with accrued interest thereon, without notice to Mortgagor.

If while any insurance proceeds or condemnation awards are held by or for the Mortgagee to reimburse Mortgagor or any lessee for the costs of repair, rebuilding or restoration of building(s) or other improvement(s) on the premises, as set forth in Paragraphs 7 and 20 hereof, the Mortgagee shall be or become entitled to accelerate the maturity of the indebtedness, then and in such event, the Mortgagee shall be entitled to apply all such insurance proceeds and condemnation awards then held by or for it in reduction of the indebtedness, and any excess held by it over the amount of the indebtedness shall be paid to Mortgagor or any party entitled thereto, without interest, as the same appear on the records of the Mortgagee.

15. Foreclosure; Expense of litigation: When the indebtedness hereby secured, or any part thereof, shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof, and in the event of the default in the payment of any installment due under the note secured hereby, the owner of such note may accelerate the payment of same and may institute proceedings to foreclose this Mortgage for the entire amount then unpaid with respect to said note. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorney's fees.

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appraiser's fees, outlays for documentary and expert evidence, stenographer's 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 said 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 Default Rate as set forth in Paragraph 41 hereof and shall be secured by this Mortgage.

15.1 This Mortgage may be foreclosed once against all, or successively against any portion or portions of the premises, as the Mortgagee may elect. This Mortgage and the right of foreclosure hereunder shall not be impaired or exhausted by one or any foreclosure or by one or any sale, and may be foreclosed successively and in parts, until all of the premises have been foreclosed against and sold.

15.2 Mortgagee may employ counsel for advice or other legal service at Mortgagee's discretion in connection with any dispute as to the obligations of Mortgagor hereunder if Mortgagee has reasonable grounds to believe Mortgagor is in default hereunder, or as to the title of Mortgagee to the mortgaged premises pursuant to this Mortgage, or in any litigation to which Mortgagee may be a party which may affect the title to the mortgaged premises or the validity of the indebtedness hereby secured, and any reasonable attorneys' fees so incurred shall be added to and be a part of the debt hereby secured. Any costs and expenses reasonably incurred in connection with any other dispute or litigation affecting said debt or Mortgagee's title to the mortgaged premises, including reasonably estimated amounts to conclude the transaction, shall be added to and be a part of the indebtedness hereby secured. All such amounts shall be payable by Mortgagor to Mortgagee without formal demand, and if not paid, shall be included as a part of the mortgage debt and shall include interest at the Default Rate as set forth in Paragraph 41 hereof from the dates of their respective expenditures.

15.3 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 said note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on said note in the order of priority therein described; fourth, any overplus to Mortgagor, its successors or assigns, as their rights may appear.

15.4 After an event of default, Mortgagee shall have the right and option to commence a civil action to foreclose the lien of this Mortgage and to obtain an order or judgment of foreclosure and sale subject to the rights of any tenant or tenants of the premises. The failure to join any tenant or tenants of the premises as party defendants in any such civil action or the failure of any



such order or judgment to foreclose their rights shall not be asserted by the Mortgagor as a defense in any civil action instituted to collect the indebtedness secured hereby, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the premises, any statute or rule of law at any time existing to the contrary notwithstanding.

16. 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 made 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 the Mortgagee hereunder or any holder of the note may be appointed as such receiver. Such receiver shall have power 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, and 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 after deducting reasonable compensation for the receiver and his counsel as allowed by the court, in payment (in whole or in part) of any or all of any obligation secured hereby, including without limitation the following, in such order of application as the Mortgagee may elect: (i) amounts due upon the Note secured hereby, (ii) amounts due upon any decree entered in any suit foreclosing this Mortgage, (iii) costs and expenses of foreclosure and litigation upon the premises; (iv) insurance premiums, repairs, taxes, special assessments, water charges and interest, penalties and costs, in connection with the premises; (v) any other lien or charge upon the premises that may be or become superior to the lien of this Mortgage, or of any decree foreclosing the same; provided that such application is made prior to foreclosure sale; and (vi) the deficiency in case of a sale and a deficiency.

17. Mortgagee's Right of Possession in Case of Default:

17.1 In any case in which under the provisions of this Mortgage the Mortgagee has a right to institute foreclosure proceedings, whether before or after the whole principal sum secured hereby is declared to be immediately due as aforesaid, 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 agents or attorneys, as for condition broken, and 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 the premises, together with all documents, books, records, papers and accounts of the Mortgagor or then owner of the premises relating thereto, and may exclude the Mortgagor, its agents or servants, wholly therefrom and may as attorney in fact or agent of the 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, contractors or nominees and with full power to use such measures, legal or equitable, as in its discretion or in the

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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, 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 the Mortgagor, and with full power to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same, to elect to disaffirm any lease or sublease made subsequent to this Mortgage or subordinated to the lien hereof, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the premises, including completion of construction in progress, as to it may seem judicious, to insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof, to employ watchmen to protect the mortgaged premises, to continue any and all outstanding contracts for the erection and completion of improvements to the premises, to make and enter into any contracts and obligations wherever necessary in its own name, and to pay and discharge all debts, obligations and liabilities incurred thereby, all at the expense of Mortgagor, to receive all avails, rents, issues, profits and proceeds therefrom and to perform such other acts in connection with the management and operation of the mortgaged premises as Mortgagee, in its discretion, may deem proper.

17.2 The 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, and the Mortgagor shall and does hereby agree to indemnify and hold the 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 the 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 the Mortgagor shall reimburse the Mortgagee therefor immediately upon demand.

18. Application of Income Received by Mortgagee: The Mortgagee, in the exercise of the rights and powers hereinabove conferred upon it by Paragraph 11 and Paragraph 17 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 the Mortgagee may determine: (a) to the payment of the operating expenses of the premises including cost of management and leasing thereof (which shall include reasonable compensation to the 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; (c) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of the premises, and of placing said property in such condition as will, in the judgment of the Mortgagee, make it readily rentable; (d) to the payment of any indebtedness secured hereby in the order of priority set forth in the Note or other document evidencing same or any deficiency which may result from any foreclosure sale.

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19. Access by Mortgagee: Mortgagor will at all times deliver to the Mortgagee duplicate originals or certified copies of all leases, agreements and documents relating to the premises and shall permit access by the Mortgagee to its books and records, construction project reports, if any, tenant registers, insurance policies and other papers for examination and making copies and extracts thereof. The Mortgagee, its agents and designees shall have the right to inspect the premises at all reasonable times and access thereto shall be permitted for that purpose.

20. Condemnation: Mortgagor hereby assigns, transfers and sets over unto Mortgagee the entire proceeds of any award or any claim for damages for any of the mortgaged premises taken or damaged under the power of eminent domain or by condemnation. The Mortgagor hereby empowers Mortgagee, in the Mortgagee's discretion with consent of Mortgagor acting reasonably, and at its election to settle, compromise and adjust any and all claims or rights arising under any condemnation or eminent domain proceeding relating to the premises or any portion thereof. The Mortgagor shall so settle, compromise and adjust such claims or rights in the event the Mortgagee does not elect to do so as provided above. Nothing contained in this Mortgage shall create any responsibility or obligation on the Mortgagee to collect any amount owing due to any condemnation or eminent domain proceeding or to rebuild, repair or replace any portion of the premises or any improvements thereon or to perform any act hereunder. Mortgagee may, acting reasonably, elect to apply the proceeds of the award upon or in reduction of the indebtedness secured hereby, whether due or not, or to require Mortgagor to restore or rebuild, in which event the proceeds shall be held by Mortgagee and used to reimburse Mortgagor for the cost of the rebuilding or restoring of buildings or improvements on the premises, in accordance with plans and specifications to be submitted to and approved by Mortgagee. If the Mortgagor is obligated to restore or replace the damaged or destroyed buildings or improvements under the terms of any lease or leases which are or may be prior to the lien of this Mortgage and if such taking does not result in cancellation or termination of such lease, the award shall first be used to reimburse Mortgagor for the cost of rebuilding or restoring of buildings or improvements on the premises, provided Mortgagor is not then in default under this Mortgage. In the event Mortgagor is required or authorized, by Mortgagee's election as aforesaid, to rebuild or restore, the proceeds of the award shall be paid out in the same manner as is provided in Paragraph 7 hereof for the payment of insurance proceeds toward the cost of rebuilding or restoration. If the amount of such award is insufficient to cover the cost of rebuilding or restoration, Mortgagor shall pay such cost in excess of the award, before being entitled to reimbursement out of the award. Any surplus which may remain out of said award after payment of such cost of rebuilding or restoration shall, at the option of Mortgagee, be applied on account of the indebtedness secured hereby or be paid to any other party entitled thereto.

21. Release Upon Payment and Discharge of Mortgagor's Obligations: Mortgagee shall release this Mortgage and the lien thereof by proper instrument upon payment and discharge of all indebtedness and other obligations secured hereby and upon payment of a reasonable fee to Mortgagee for preparation of any necessary instruments.

22. Notices: All notices hereunder shall be in writing and shall be deemed to have been sufficiently given or served for all purposes when presented personally, forwarded by expedited messenger with evidence of delivery, or sent by registered or certified mail to any party hereto at its address stated above or at such other address of which it shall have notified the party giving

such notice in writing. Whenever in this Mortgage the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person or persons entitled to receive such notice.

23. Waiver of Defense: No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the note hereby secured.

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

25. Maintenance of Mortgagor's Existence: So long as any part of the note hereby secured remains unpaid, the Mortgagor shall maintain its existence and shall not merge into or consolidate with any other corporation, firm, joint venture or association; nor convey, transfer, lease or otherwise dispose of all or substantially all of its property, assets or business; nor assume, guarantee or become primarily or contingently liable on any indebtedness or obligation of any other person, firm, joint venture or corporation, without prior written consent from the Mortgagee.

26. Mortgagor's Additional Covenants: Mortgagor further covenants and agrees with Mortgagee, its successors and assigns as follows:

26.1 Mortgagor will fully comply with all of the terms, conditions and provisions of all leases on the premises so that the same shall not become in default, and will do all that is needful to preserve all said leases in force. Except for taxes and assessments to be paid by Mortgagor pursuant to Paragraph 3 of this Mortgage, Mortgagor will not create or suffer or permit to be created, subsequent to the date of this Mortgage, any lien or encumbrance which may be or become superior to any lease affecting the premises; and

26.2 No construction shall be commenced upon the land hereinbefore described or upon any adjoining land at any time owned or controlled by Mortgagor or by other business entities related to Mortgagor, unless the plans and specifications for such construction shall have been submitted to and approved in writing by Mortgagee to the end that such construction shall not, in the reasonable judgment of Mortgagee, entail prejudice to the loan evidenced by the note and this Mortgage.

26.3 In the event of the happening of any casualty, of any kind or nature, ordinary or extraordinary, foreseen or unforeseen (including any casualty for which insurance was not obtained or obtainable) resulting in damage to or destruction of the mortgaged premises or any part thereof, Mortgagor will give notice thereof to

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Mortgagee, and will promptly, at Mortgagor's sole cost and expense (whether or not there are sufficient and available insurance proceeds) commence and diligently continue to restore, replace, repair or rebuild the mortgaged premises to be of at least equal value and substantially the same character and condition as prior to such casualty; provided, however, that if the Mortgagee has elected to use insurance loss proceeds to apply toward payment of the mortgage indebtedness as provided for in this Mortgage, the provisions of this Paragraph 26.3 shall not apply.

26.4 Mortgagor will not commit or permit any waste on the mortgaged premises and will keep the buildings, fences and other improvements now or hereafter erected on the mortgaged premises in sound condition and in good repair and free from mechanic's liens or other liens or claims for liens not expressly subordinate to the lien hereof, and will neither do nor permit to be done anything to the mortgaged premises that may impair the value thereof; and the Mortgagee shall have the right of entry upon the mortgaged premises at all reasonable times for the purpose of inspecting the same.

26.5 That no building or other property now or hereafter covered by the lien of this Mortgage shall be removed, demolished or materially altered without the prior written consent of the Mortgagee, except that the Mortgagor shall have the right to remove and dispose of, free from the lien of this Mortgage, such equipment as from time to time may become worn out or obsolete, provided that either (i) simultaneously with or prior to such removal any such equipment shall be replaced with other equipment of a value at least equal to that of the replaced equipment and free from any title retention or security agreement or other encumbrances, and by such removal and replacement the Mortgagor shall be deemed to have subjected such equipment to the lien of this Mortgage, or (ii) any net cash proceeds received from such disposition shall be paid over promptly to the Mortgagee to be applied to the last installments due on the indebtedness secured, without any charge for prepayment.

26.6 The Mortgagor will pay all utility charges incurred in connection with the premises and all improvements thereon and maintain all utility services now or hereafter available for use at the premises.

26.7 Mortgagor will at all times fully comply with and cause the premises and the use and condition thereof, to fully comply with all federal, state, county, municipal, local and other governmental statutes, ordinances, requirements, regulations, rules, orders and decrees of any kind whatsoever that apply or relate thereto, and will observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits, privileges, franchises and concessions (including, without limitation, those relating to land use and development, landmark preservation, construction, access, water rights, use, noise and pollution) which are applicable to the Mortgagor or the premises.

26.8 Mortgagor shall within fifteen (15) days after a written request by Mortgagee furnish from time to time a signed statement setting forth the amount of the obligation secured hereby and whether or not any default, offset or defense then is alleged to exist against the same and, if so, specify the nature thereof.

26.9 Mortgagor will, for the benefit of the Mortgagee, fully and promptly perform each obligation and satisfy each condition imposed on it under any contract relating to the premises, or other agreement relating thereto, so that there will be no default thereunder and so that the persons (other than Mortgagor)

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obligated thereon shall be and remain at all times obligated to perform for the benefit of Mortgagee; and Mortgagor will not permit to exist any condition, event or fact which could allow or serve as a basis or justification for any such person to avoid such performance.

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

26.11 Mortgagor covenants that the proceeds of the indebtedness secured hereby will not be used for the purchase or carrying of registered equity securities within the purview and operation of Regulation G issued by the Board of Governors of the Federal Reserve System.

26.12 Whenever provision is made herein for the approval, satisfaction or consent of Mortgagee, or that any matter be to Mortgagee's satisfaction, unless specifically stated to the contrary, such approval or consent shall be at Mortgagee's sole discretion.

27. Usury Laws, Etc.:

27.1 Mortgagor represents and agrees that the proceeds of the note secured by this Mortgage will be used for the purpose specified in Paragraph 6404 of Chapter 17 of the 1985 Illinois Revised Statutes, and that the principal obligation secured hereby constitutes a business loan which comes within the purview of said paragraph.

27.2 If from any circumstances whatever fulfillment of any provision of this Mortgage or the note secured hereby at the time performance of such provision shall be due shall involve transcending the limit of validity prescribed by applicable usury statute or any other law, then ipso facto the obligation to be fulfilled shall be reduced to the limit of such validity, and paid according to the provisions of the note, so that in no event shall any exaction be possible under this Mortgage or the note that is in excess of the limit of such validity; but such obligation shall be fulfilled to the limit of such validity. In no event shall the Mortgagor, its successors or assigns, be bound to pay for the use, forbearance or detention of the money loaned and secured hereby interest of more than the legal limit, and the right to demand any such excess shall be and hereby is waived. The provisions of this paragraph shall control every other provision of this Mortgage and the note secured hereby.

28. Binding on Successors and Assigns; Gender: This Mortgage and all provisions hereof shall extend to and be binding upon Mortgagor, its successors, vendees and assigns and all persons claiming under or through Mortgagor (other than Mortgagor's present beneficiaries (except as specifically set forth in the Joinder hereto)), and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the note or this Mortgage. The word "Mortgagee" when used herein shall include the successors, vendees and assigns of the Mortgagee named herein, and the holder or holders, from time to

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time, of the note secured hereby. Wherever used, the singular number shall include the plural and the plural the singular, and the use of any gender shall be applicable to all genders.

29. Captions: The captions and headings of various paragraphs of this Mortgage are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

30. Severability: In the event any of the provisions contained in this Mortgage or in any documents secured hereby or in any collateral or security documents executed in connection herewith shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Mortgagee, not affect any other provision of this Mortgage, the obligations secured hereby or any other such document and same shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein and therein. This Mortgage has been executed and delivered at Chicago, Illinois and shall be construed in accordance therewith and governed by the laws of the state where the premises are located.

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

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

33. Environmental Representations and Covenants and E.P.A. Compliance: Mortgagor represents and covenants that:

33.1 The premises does not contain:

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(a) friable asbestos or asbestos contaminating material;

(b) urea formaldehyde foam insulation; or

(c) any other chemical, material or substance exposure to which is prohibited, limited or regulated by federal, state, county, regional or local authority.

33.2 The premises is not now being used, nor has it been used in the past (and Borrower covenants that the premises shall not be used during the term of this loan secured hereby) for any activities involving, directly or indirectly, the use, generation, treatment, storage or disposal of any hazardous or toxic chemical, material substance or waste.

33.3 The buildings and other improvements constructed on, under or above the subject real estate will be used and maintained in accordance with the applicable E.P.A. regulations and the use of said buildings by Mortgagor, or Mortgagor's lessees, will not unduly or unreasonably pollute the atmosphere with smoke, fumes, noxious gases or particulate pollutants in violation of any such regulations; and in case Mortgagor (or said lessees) are served with notice of violation by any such E.P.A. Agency or other municipal body, that it will immediately cure such violations and abate whatever nuisance or violation is claimed or alleged to exist.

33.4 Mortgagor agrees to indemnify and hold Mortgagee harmless against any loss or liability, cost or expense (including, without limitation, reasonable attorneys' fees and disbursements) which Mortgagee may sustain by reason of Mortgagor's failure, or the failure of any of Mortgagor's predecessors in title, or the failure of any of Mortgagor's tenants, to perform any of its, or their, obligations pursuant to any federal, state or local environmental protection laws and regulations.

34. Defeasance Clause: If Mortgagor pays to Mortgagee said principal sum and all other sums payable by Mortgagor to Mortgagee as are hereby secured, in accordance with the provisions of the note and in the manner and at the times therein set forth, without deduction, fraud, or delay, then and from thenceforth this Mortgage, and the estate hereby granted, shall cease and become void, anything herein contained to the contrary notwithstanding.

35. Flood Insurance: In addition to the other insurance coverage required under the provisions of this Mortgage, Mortgagor agrees that if Mortgagee demonstrates to Mortgagor at any time that the premises is located in an area designated as a flood hazard area under the National Flood Insurance Program of the U.S. Department of Housing and Urban Development's Federal Insurance Administration, then Mortgagee may require at any time that flood insurance be obtained and thereafter kept in force and maintained by Mortgagor in accordance with the National Flood Insurance Act of 1968, as amended by the Flood Disaster Protection Act of 1973. Mortgagor agrees to immediately purchase and thereafter keep in force, pay for and maintain such insurance during the term of this Mortgage and the Note secured hereby upon request of Mortgagee in an amount equal to the unpaid principal balance of the indebtedness secured hereby or the maximum amount of coverage available, whichever is less. Mortgagor shall immediately give to Mortgagee written notice of any notice that it receives that such premises is in any way affected by the National Flood Insurance Program of the Department of Housing and Urban Development's Federal Insurance Administration, or such similar program as may hereafter exist.

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36. Mortgagee's Right to Exercise Remedies: The rights and remedies of Mortgagee as provided in the note secured hereby, in this Mortgage, in any other agreement further securing the obligations secured hereby or available under applicable law, shall be cumulative and concurrent and may be pursued separately, successively or together against Mortgagor or against other obligors or against the mortgaged premises, or against any one or more of them, at the sole discretion of Mortgagee, and may be exercised as often as occasion therefor shall arise. The failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof. No delay or omission of Mortgagee to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or any acquiescence therein; and every power and remedy given by this Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expedient by Mortgagee. Nothing in this Mortgage or in the note secured hereby shall affect the obligation of Mortgagor to pay the principal of, and interest on, said note in the manner and at the time and place therein respectively expressed.

37. Incorporation of Riders, Exhibits and Addenda: All riders, exhibits and addenda attached to this Mortgage are by express and specific reference incorporated in and made a part of this Mortgage; and with the proviso that the covenants contained in each of said riders, exhibits and addenda, and the other things therein set forth shall have the same force and effect as any other covenant or thing herein expressed.

38. Subrogation: To the extent that Mortgagee, on or after the date hereof, pays any sum due under any provision or law or any instrument or document creating any lien prior or superior to the lien of this Mortgage, or Mortgagor or any other person pays any such sum with the proceeds of the loan secured hereby, Mortgagee shall have and be entitled to a lien on the mortgaged premises equal in priority to the lien discharged, and Mortgagee shall be subrogated to, and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such lien, which shall remain in existence and benefit Mortgagee in securing the indebtedness secured hereby. Mortgagee shall be subrogated, notwithstanding their release of record, to the lien of all mortgages, trust deeds, superior titles, vendors' liens, liens, charges, encumbrances, rights and equities on the mortgaged premises, to the extent that any obligation under any thereof is directly or indirectly paid or discharged with proceeds of disbursements or advances under the mortgage note secured hereby or any Loan Agreement executed in connection herewith and hereinafter described or of other indebtedness secured hereby.

39. Mortgagee's Lien for Service Charge and Expenses: At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures (in addition to any loan proceeds disbursed from time to time) the payment of any and all loan commissions, service charges, liquidated damages, expenses (with the exception of those relating to appraisals, and Mortgagee's attorney's fees) and all advances due to or incurred by the Mortgagor in connection with the loan to be secured hereby.

40. Cooperative Ownership and Condominium: So long as any balance remains due and owing under the note secured hereby, Mortgagor agrees that it will not, without the written consent of the Mortgagee first having been obtained, permit, allow or cause any of the following events to occur, to-wit: (a) the conversion of the mortgaged premises to a cooperative form of ownership, wherein the tenants or occupants of the buildings on the premises participate in a scheme, plan or device to jointly own and operate the mortgaged



premises and wherein the title to the premises is vested in a trust, corporation or other titleholding device for the use and benefit of the cooperative entity or its participants therein; (b) the conversion of the mortgaged premises to a condominium form of ownership and in this connection to the Condominium Act of the state where the premises are located, and will not file (or cause to be filed) a Condominium Declaration pursuant to the provisions of said Act without Mortgagee's express written consent, pursuant to any Loan Agreement executed in connection herewith; and in case Mortgagor permits or causes any of the aforesaid events to occur, without the written approval or consent of Mortgagee being first had and obtained, Mortgagee may declare the loan secured hereby to be in default, in consequence whereof the Mortgagee may foreclose this Mortgage or avail itself of such rights and remedies herein reserved or permitted by law as in such case made and provided.

41. Default Rate: The term "Default Rate" when used in this Mortgage shall be defined to mean fourteen (14%) percent per annum.

42. Security Agreement: This Mortgage shall be deemed a Security Agreement as defined in the Illinois Commercial Code. This Mortgage creates a security interest in favor of Mortgagee in all property including all personal property, fixtures and goods affecting property either referred to or described herein or in anyway connected with the use or enjoyment of the premises. The remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be (i) as prescribed herein, or (ii) by general law, or (iii) as to such part of the security which is also reflected in any Financing Statement filed to perfect the security interest herein created, by the specific statutory consequences now or hereinafter enacted and specified in the Illinois Commercial Code, all at Mortgagee's sole election. Mortgagor and Mortgagee agree that the filing of such a Financing Statement in the records normally having to do with personal property shall never be construed as in anywise derogating from or impairing this declaration and the hereby stated intention of the parties hereto, that everything used in connection with the production of income from the mortgaged premises and/or adapted for use therein and/or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings both legal or equitable shall be, regarded as part of the real estate irrespective of whether (i) any such item is physically attached to the improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with the Mortgagee, (iii) any such item is referred to or reflected in any such Financing Statement so filed at any time. Similarly, the mention in any such Financing Statement of (1) the rights in or the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) the debtor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the property mortgaged hereby, whether pursuant to lease or otherwise, shall never be construed as in anywise altering any of the rights of Mortgagee as determined by this instrument or impugning the priority of the Mortgagee's lien granted hereby or by any other recorded document, but such mention in the Financing Statement is declared to be for the protection of the Mortgagee in the event any court or judge shall at any time hold with respect to (1), (2) and (3) that notice of Mortgagee's priority of interest to be effective against a particular class of persons, including, but not limited to, the Federal government and any subdivisions or entity of the Federal government, must be filed in the Commercial Code records.

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Notwithstanding the aforesaid, the Mortgagor covenants and agrees that so long as any balance remains unpaid on the note secured hereby, it will execute (or cause to be executed) on ten days written notice and deliver to Mortgagee, such renewal certificates, affidavits, extension statements or other documentation in proper form, so as to keep perfected the lien created by any Security Agreement and Financing Statement given to Mortgagee by Mortgagor, and to keep and maintain the same in full force and effect until the entire principal indebtedness and all interest to accrue thereunder has been paid in full; with the proviso that the failure of the undersigned Mortgagor to so do shall constitute a default hereunder and under the note secured hereby.

43. Prohibition on Sale or Financing:

43.1 Any sale, conveyance, assignment, pledge, hypothecation, encumbrance or other transfer of title to, or any interest in, or the placing of any lien upon the premises or any portion of any entity owning any interest therein (whether voluntary or by operation of law) without the Mortgagee's prior written consent shall be an event of default hereunder.

43.2 For the purpose of, and without limiting the generality of, Paragraph 43.1, the occurrence at any time of any of the following events shall be deemed to be an unpermitted transfer of title to the premises and therefore an event of default hereunder: (a) any sale, conveyance, assignment or other transfer of any general partnership interest in any limited partnership or general partnership (hereinafter called the "Partnership") which is the beneficiary of the Mortgagor hereunder; provided that if there is only one general partner and that general partner dies or becomes incapacitated a transfer to a successor general partner, subject to the approval of Mortgagee, which approval will not unreasonably be withheld, will not be an event of default; (b) any grant of a security interest in any general partnership interest in the Partnership; (c) any sale, conveyance, assignment or other transfer of any share of stock of any corporation directly or indirectly controlling the Partnership which results in any material change in the identity of the individuals previously in control of the Partnership; (d) the grant of a security interest in any share of stock of any corporation directly or indirectly controlling the Partnership which could result in a material change in the identity of the individuals previously in control of the Partnership if the secured party holding such security interest would exercise its remedies.

43.3 It is understood and agreed that the indebtedness secured hereby was created solely due to the financial sophistication, creditworthiness, background and business sophistication of the Mortgagor (or in the event Mortgagor is a trust, the beneficiary of Mortgagor) and Mortgagee continues to rely upon same as the means of maintaining the value of the premises. It is further understood and agreed that any secondary or junior financing placed upon the premises or the improvements located thereon, or upon the interests of the Mortgagor (or in the event the Mortgagor is a trust, the beneficial interest of the trust) may divert funds which would otherwise be used to pay the indebtedness secured hereby, and could result in acceleration and/or foreclosure by any such junior lienor. Any such action would force the Mortgagee to take measures, and incur expenses, to protect its security, and would detract from the value of the premises mortgaged hereby, and impair the rights of the Mortgagee granted hereunder.

43.4 Any consent by Mortgagee to, or any waiver of any event which is prohibited under this Paragraph 43, shall (a) be in

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Mortgagee's sole discretion and may require an adjustment in the interest rate accruing thereafter on the indebtedness secured hereby and/or the prepayment of all or a portion of the said indebtedness and/or the payment of an assumption fee, and (b) not constitute a consent to, or waiver of, any right, remedy or power of Mortgagee upon a subsequent event of default.

43.5 Notwithstanding the above provisions of Paragraph 43:

(a) the ownership or beneficial ownership of the premises may be changed once during the term of the loan secured hereby provided

(i) the transferee is approved by Mortgagee (which approval shall be in Mortgagee's sole discretion) following submittal to Mortgagee of a credit application and such other financial information and documents as Mortgagee may require;

(ii) payment is made to Mortgagee of a transfer fee of one (1%) percent of the outstanding principal balance of the indebtedness secured hereby at the time such sale, assignment or transfer is made;

(iii) the then outstanding principal balance of the indebtedness secured hereby shall not exceed seventy-five (75%) percent of the principal amount paid by the transferee for the premises;

(iv) the transferee assumes in writing of all personal obligations, liabilities and agreements, by which the beneficiaries of Mortgagor are personally bound or liable, whether contained herein or in the Note secured hereby or in any certificate, affidavit or other document; and

(v) the transfer will not cause the release of any tenant from personal liability under his or its lease or give any tenant the right to terminate its lease.

No subsequent transfers of ownership or beneficial ownership following approval of such one time transfer hereinabove provided for shall be made. Any such subsequent transfer or attempt to transfer shall constitute a default hereunder.

(b) Provided there has been no transfer of ownership of the premises or of the beneficiary of the Mortgagor whether or not consented to by Mortgagee or permitted by the above subparagraphs of 43.5, and provided no default has occurred under this Mortgage or any other document evidencing, securing or relating to the loan secured hereby, Mortgagor, subject to the prior written approval of Mortgagee in its sole discretion, may encumber the premises with additional financing subordinate to Mortgagee's Note and this Mortgage from a reputable lender acceptable to Mortgagee provided the total debt service coverage of the loan secured hereby and such junior financing as determined by Mortgagee is not less than 1.20 to 1 after taking into account income and expenses (including appropriate reserves as determined by Mortgagee).

44. Furnishing of Financial Statements to Mortgagee:

Mortgagor covenants and agrees to furnish to Mortgagee within ninety (90) days after the end of each fiscal year of the operation of the premises, commencing with the current fiscal year, a current rent roll including annual sales results for each Tenant together with percentage rent calculations and an annual operating statement

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containing statements of income and expense relating to the premises, setting forth in each case, the comparative form, the figures for the previous fiscal year, all in form and detail satisfactory to the Mortgagee and prepared and certified as true and correct by a principal owner of the beneficial interest in the trust agreement under which title to the premises is held, or if the premises are not held in such a trust, then a principal of the Mortgagor.

45. First Lien on Fixtures: This is a Mortgage given in part to refinance a "Construction Loan Mortgage" within the purview and operation of the Uniform Commercial Code of the State of Illinois, as amended; and this Mortgage secures a loan, the proceeds of which will be disbursed to the Mortgagor solely for the purpose of paying the cost of construction of improvements upon the premises (including the acquisition costs of the premises), pursuant to and in accordance with the Construction Loan Agreement executed and delivered concurrently herewith, and Mortgagor covenants and agrees that all of said loan proceeds will be used solely for said purposes.

Accordingly, the lien created by this Mortgage shall be a first lien against all fixtures, equipment and other personal property of every kind incorporated and to be incorporated in the building to be constructed as aforesaid, and such lien shall take precedence and be paramount and superior to any other lien, charge or security interest which any person may claim against such fixtures or personal property.

46. Performance of Obligations Under Commitment: Prior to the execution of this Mortgage, Mortgagee has heretofore issued its Commitment for Mortgage Loan dated February 3, 1988, and amended by Amendment dated February 23, 1988, pertaining to the mortgaged premises, which has been accepted by the party(ies) named therein. Mortgagor hereby covenants and agrees to comply with all of the terms and conditions of said Commitment, and any non-compliance thereof shall be and constitute a default under this Mortgage and the note secured hereby.

THIS MORTGAGE is executed by Parkway Bank and Trust Company, not personally but as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said Parkway Bank and Trust Company 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 said note contained shall be construed as creating any liability on said Parkway Bank and Trust Company personally to pay the said note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant either express or implied herein contained, all such liability, if any being expressly waived by Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as said Parkway Bank and Trust Company personally is concerned, the legal holder or holders of said note and the owner or owners of any indebtedness accruing hereunder shall look solely to the premises hereby conveyed for the payment thereof, by the enforcement of the lien hereby created, in the manner herein and in said note provided or by action to enforce the personal liability of the guarantors.

IN WITNESS WHEREOF, Parkway Bank and Trust Company, not personally, but as Trustee as aforesaid, has caused these presents

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to be signed by its J. Vici President, and its corporate seal to be hereunto affixed and attested by its J.P. JO Secretary, the day and year first above written.

PARKWAY BANK AND TRUST COMPANY, not personally, but as Trustee under Trust Agreement dated March 19, 1987 and known as Trust Number 8217

By: [Signature]  
Its: SECRETARY

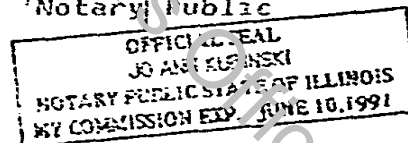
STATE OF ILLINOIS)  
COUNTY OF COOK)

ATTEST: [Signature]  
ASS. VICE PRESIDENT-TRUST OFFICER

I, J. Vici, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that J.P. JO as J. Vici President and [Signature] as J.P. JO Secretary of Parkway Bank and Trust Company, an Illinois Banking corporation, as Trustee under Trust Agreement dated March 19, 1987, and known as Trust No. 8217, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such J. Vici President and J.P. JO Secretary of said Bank, 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 for the uses and purposes therein set forth; and said J.P. JO Secretary did then and there acknowledge that he, as custodian of the corporate seal of said Bank did affix the corporate seal of said Bank to said instrument as his own free and voluntary act and as the free and voluntary act of said Bank, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 12th day of MAY, 1988.

[Signature]  
Notary Public




JOINDER

The undersigned ("Borrower"), being the owners of 100% of the beneficial interest in and being the sole beneficiaries of the Mortgagor under the foregoing Mortgage hereby consent to and join in the foregoing Mortgage for the sole purpose of binding themselves and each of them, their personal representatives, heirs, successors and assigns as follows:

1. Notwithstanding anything to the contrary contained in the foregoing Mortgage, or the Note secured thereby, or in any Collateral or Security Agreement executed in connection therewith (the "Loan Papers"), and each of them, including, but not limited to, any exculpation of the Borrower therein, Borrower shall be and remain personally obligated and liable for, and shall indemnify the Mortgagee thereof against:

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(a) All rents, revenues, income, issues, proceeds (including but not limited to all proceeds of insurance or condemnation awards received on account of or in connection with the premises encumbered by said Mortgage or any casualty thereto or any taking thereof by condemnation or like process, and not applied as provided for in the Mortgage) or profits of the premises held or collected by or on the behalf of Borrower following declaration of a monetary or a non-monetary default or declaration as to any matter which will become a default with the passage of time if not timely cured (provided that notice thereof is served upon Borrower), and shall pay over the same to the Mortgagee upon receipt, except to the extent that the same have been applied in payment of any amounts due Mortgagee under the Mortgage or other Loan Papers;

(b) Any security deposit paid by tenants of the premises and any claims of any such tenants therefor, except to the extent that such security deposits have been either (i) properly applied for the purpose intended, or (ii) remitted in cash to the Mortgagee;

(c) All loss, costs and damages (including, without limitation, reasonable attorneys' fees and expenses) incurred by Mortgagee as a result of any fraud (which causes material damage to lender) or material misrepresentation made by or on behalf of Borrower in any of the Loan Papers or in any instrument delivered by them in connection with the loan;

(d) All loss, damages or costs incurred by Mortgagee as the result of any material waste of the premises, exclusive of reasonable wear and tear, but limited however to funds received by Borrower from tenants of the premises for common area maintenance and not expended for such purposes;

(e) Any amounts necessary to repair or replace any damage to the premises caused by the willful or wanton act or omission of Borrower;

(f) All loss, damages or costs incurred by Mortgagee by reason of any action taken against Borrower, Mortgagor, Mortgagee, or any other parties or against the premises as the result of violation or alleged violation of any environmental protection law, ordinance, rule or regulation (whether now or hereafter enacted) including but not limited to those pertaining to asbestos and Borrower shall indemnify and hold Mortgagee harmless from any and all claims arising therefrom as may become liens prior and superior to Mortgagee's first mortgage lien.

(g) Costs and expenses (including reasonable attorneys' fees and expenses) incurred by Mortgagee in connection with the enforcement of this Joinder.

(h) All loss sustained by holder by reason of any sale or other transfer or disposition in violation of Paragraph 43 that results in a tenant of the premises terminating its lease.

Borrower's liability (but not the liability of its transferee) under Subparagraphs 1(a), (b) and (d) of this Joinder shall terminate upon any transfer of ownership approved by Mortgagee with respect to any funds received by the

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transferee following such transfer, and Borrower (but not its transferee) shall have no liability under this Joinder with respect to any events, matters or violations which begin or take place (as distinguished from merely being discovered or asserted) subsequent to any approved transfer.

2. Borrower represents and covenants that:

(a) no hazardous substance [as defined in Section 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. Section 9601(14)], is present on the premises;

(b) there will be no use, generation, treatment, storage, disposition or introduction of any such hazardous substance, without limitation, into or on the premises;

(c) there is no current, and will be no future, unlawful physical (including environmental, natural, artificial, structural or chemical) hazard or potential hazard (including, without limitation, friable asbestos or asbestos contaminating material, urea formaldehyde foam insulation, or any other chemical, material or substance exposure to which is prohibited, limited or regulated by federal, state, county, regional or local authority, or the presence, accumulation or storage of any toxin, toxic waste, toxic effluent or discharge) condition in or on or affecting the premises or the health or persons in or about the premises;

(d) the buildings and other improvements constructed on, under or above the premises will be used and maintained in accordance with the applicable E.P.A. and all other applicable environmental regulations;

(e) the use of said buildings by Borrower, Mortgagor, or Mortgagor's lessees, will not unduly or unreasonably pollute the atmosphere with smoke, fumes, noxious gases or particulate pollutants in violation of any such regulations;

(f) the premises is not now being used, nor to Borrower's knowledge has it been used in the past (and Borrower covenants that the premises shall not be used during the term of this loan evidenced hereby) for any activities involving, directly or indirectly, the use, generation, treatment, storage or disposal of any hazardous or toxic chemical, material substance or waste;

(g) in case Borrower, Mortgagor (or said lessees) are served with notice of violation by any such E.P.A. Agency or other governmental body, Borrower will immediately cure such violations and abate whatever nuisance or violation is claimed or alleged to exist; and

(h) Borrower will indemnify, defend and save Mortgagee harmless from all liability, claims, obligations, losses, damages, actions, causes of action, costs and expenses (including without limitation, reasonable attorney's fees and disbursements) which may arise or occur because of Borrower's breach of the aforesaid representations and warranties or by reason of Borrower's failure, or the failure of any of Mortgagor's predecessors in title, or the failure of any of Borrower's or Mortgagor's tenants, to perform any of its, or their, obligations pursuant to any federal, state or local environmental protection laws and regulations.

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(i) the provisions of this paragraph shall survive any transfer of the premises described above, including a transfer after a foreclosure of the foregoing Mortgage, and delivery of the deed effecting such transfer.

3. Nothing herein contained shall be deemed to render the undersigned liable upon any obligation for payments provided in the foregoing Mortgage or said Loan Papers, except as specifically set forth in this Joinder or in any of said Loan Papers.

IN WITNESS WHEREOF, the undersigned has caused this joinder to be executed as of the date of the aforesaid Mortgage.

\_\_\_\_\_  
\_\_\_\_\_

STATE OF ILLINOIS )  
                          ) SS  
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that \_\_\_\_\_ and \_\_\_\_\_ personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their own free and voluntary acts for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this \_\_\_\_\_ day of MAY, 1988.

\_\_\_\_\_  
Notary Public

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EXHIBIT A

Legal Description

Lots 1 to 7 both inclusive in Resubdivision of the North 49.3 feet of Lot 38 and all of Lots 39, 40 and 41 in Block 2 in Hield and Martin's Milwaukee Avenue Subdivision of the South 1/2 of Lot 9 in School Trustee's Subdivision of Section 16, Township 40 North, Range 13 East of the Third Principal Meridian, in Cook County, Illinois.

Commonly known as:

4321 Milwaukee Avenue  
Chicago, Illinois

P.I.N. #13-16-405-047

. DEPT-91 RECORDING \$41.50  
. T#2222 TRAN 3157 05/17/88 15:40:00  
. #6389 # B \* -88-210951  
. COOK COUNTY RECORDER

This document was prepared by:

Robert S. Blatt  
Katz Randall & Weinberg  
200 North LaSalle Street  
Suite 2300  
Chicago, Illinois 60601

*Handwritten signature: H. Mail*

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