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MORTGAGE, ASSIGNMENT OF LEASES AND SECURITY AGREEMENT

THIS MORTGAGE, ASSIGNMENT OF LEASES AND SECURITY AGREEMENT (hereinafter referred to as the "Mortgage") is made as of the 13th day of April, 1989, by LASALLE NATIONAL BANK, not personally but as Trustee under Trust Agreement dated December 1, 1983 and known as Trust No. 107311 (hereinafter referred to as "Trustee"), whose address is set forth below, and by CHESTNUT GALLERIA LIMITED PARTNERSHIP, an Illinois limited partnership, the sole beneficiary of Trustee (hereinafter referred to as "Beneficiary"), whose address is set forth below (Trustee and Beneficiary are hereinafter collectively referred to as "Mortgagor"), in favor of CONFEDERATION LIFE INSURANCE COMPANY, a Canadian mutual insurance company, whose address is set forth below, as Mortgagee.

Article 1

TERMS OF THE INDEBTEDNESS

1.1 Certain Terms of Indebtedness: The following is a summary of certain terms of the Indebtedness (as hereinafter defined) secured by this Mortgage. A true and correct copy of the Note referred to below is attached hereto as Exhibit A and is hereby incorporated herein by reference and should be referred to for a complete recital of all terms and conditions thereof:

(a) Note: That certain Promissory Note (hereinafter referred to as the "Note") of even date herewith made by Trustee payable to the order of Mortgagee in the principal amount of Five Million Five Hundred Thousand and No/100 Dollars ($5,500,000.00).

(b) Interest Rate and Payments: Interest shall accrue under the Note at the rate of Ten and One-Quarter Percent (10.25%) per annum, and installments of interest and of principal outstanding under the Note shall be due and payable in the amounts, at the times and otherwise as provided in the Note. The interest rate is subject to adjustment by Mortgagee, as more particularly described in the Note.

(c) Maturity Date: All of the unpaid principal balance outstanding under the Note and all unpaid interest accrued thereon shall become due and payable, if not sooner paid or if not sooner due by acceleration, notice of prepayment, or otherwise, on May 1, 1999 (hereinafter referred to as the "Maturity Date").

(d) Prepayment: The Note may be prepaid in full but not in part only as provided in the Note. Any prepayment of the Note shall include, in addition to the entire unpaid principal balance outstanding, all interest accrued thereon, any applicable Prepayment Premium (as provided in the Note) and any other sums which are secured by this Mortgage and the other Loan Documents (as hereinafter defined), including, without limitation, any expenses incurred by Mortgagee in connection with the loan secured hereby or in connection with any prior Event of Default (as hereinafter defined) under the Note, Mortgage or the other Loan Documents.

(e) Definition of the Indebtedness: The term "Indebtedness" shall mean the principal amount of, interest payable on, and all fees, amounts, payments, premiums, liabilities and monetary liabilities and obligations due or required to be paid by Mortgagor under the Note, this Mortgage or the other Loan Documents, or under any future advance note, or under any and all amendments, modifications, restatements, replacements, consolidations, substitutions, renewals, extensions and increases to the Note and the other Loan Documents, whether heretofore or hereafter existing, and whether direct or indirect, absolute or contingent.

Article 2

DEFINITIONS

2.1. Definitions: The following terms shall have the following meanings (any other capitalized term used herein that is not expressly defined in this Article shall have the meaning defined elsewhere in this Mortgage or in the other Loan Documents):

(a) Affiliated Person: Any (i) guarantor of any part of the Indebtedness and any subsequent or successor guarantor; and (ii) Beneficiary, and any subsequent or successor beneficiary of Trustee, any general partner of any general or limited partnership that is a

beneficiary of Trustee and the joint venture partners of any joint venture that is a beneficiary of Trustee, any persons or entities holding the controlling shareholder interests in any corporation that is a beneficiary of Trustee, and any other corporation so controlled by such persons or entities or by such corporate beneficiary of Trustee; and (iii) if Mortgagor is a general or limited partnership, its general partners and any subsequent or successor general partners thereof; and (iv) if Mortgagor is a joint venture, the joint venture partners thereof; and (v) if Mortgagor is a corporation, the persons or entities holding the controlling shareholder interests therein.

(b) Awards: All awards and payments heretofore or hereafter made by any municipal, state or federal agency or authority to Mortgagor, including any awards or payments for any taking of the Mortgaged Property (as hereinafter defined) as a result of the exercise of the right of condemnation or eminent domain, and any and all proceeds and payments heretofore or hereafter made by any insurance company as a result of any casualty or other event in connection with the Mortgaged Property.

(c) Beneficiary: Chestnut Galleria Limited Partnership, an Illinois limited partnership (also defined above).

(d) Beneficiary's Address: c/o Centrum Properties, Inc., 566 West Adams, 5th Floor, Chicago, Illinois 60606, Attention: Arthur Slaven.

(e) Buildings: The office/retail building containing a total of approximately 52,813 square feet of rentable area, commonly known as Chestnut Galleria, Chicago, Cook County, Illinois, and located on the Real Estate (as hereinafter defined), and any and all buildings, structures and improvements, and any and all additions, alterations, betterments or appurtenances thereto, now or at any time hereafter situated, placed or constructed upon the Real Estate or any part thereof.

(f) Commitment: That certain Loan Commitment dated February 10, 1989 from Mortgagee to Beneficiary, as provisionally accepted by Beneficiary on February 17, 1989 and confirmed by Mortgagee.

(g) Contracts: Any and all contracts, documents or agreements pertaining to the ownership, use, occupancy, development, design, construction, financing, operation, management, alteration, repair, marketing, sale, lease or enjoyment of the Mortgaged Property, and all rights, privileges, authority and benefits thereunder (but under no circumstances any liabilities, obligations or responsibilities thereunder).

(h) Default Rate: The lesser of: (i) the interest rate of Five Percent (5%) per annum in excess of the rate of interest otherwise applicable under the Note at any time, or (ii) the highest rate allowed to be charged or collected under applicable law.

(i) Event of Default: The occurrences defined in Article 8 of this Mortgage.

(j) Fixtures: All fixtures, as defined in and subject to the Uniform Commercial Code, located on the Real Estate including, without limitation, all systems, fittings, structures, equipment, apparatus, fixtures and other improvements and items now or hereafter temporarily or permanently attached to, installed in or used in connection with any of the Buildings or the Real Estate, including but not limited to any and all partitions, hardware, motors, engines, boilers, furnaces, pipes, plumbing, conduit, sprinkler systems, fire extinguishing equipment, elevator equipment, telephone and other communications equipment, security equipment, master antennas and cable television equipment, water tanks, heating, ventilating, air conditioning and refrigeration equipment, laundry facilities, and incinerating, gas and electric machinery and equipment.

(k) General Partner: The general partners in Beneficiary, individually and collectively, said general partners are Aradco, Inc., an Illinois corporation, Arthur Slaven and Laurence Ashkin.

(l) Governmental Authority: Any and all courts, boards, agencies, commissions, offices or other authorities of any nature whatsoever for any governmental unit (federal, state, county, district, municipal, city or otherwise) or arbitration authority, whether now or hereafter in existence.

(m) Guarantor: None.

(n) Impositions: All (i) general and special real estate and personal property taxes and other land taxes and assessments, water and sewer rates and charges, and all other governmental charges and any interest or costs or penalties with respect thereto,

and (ii) charges for any easement or agreement maintained for the benefit of the Mortgaged Property which at any time prior to or after the execution of the Loan Documents may be assessed, levied or imposed upon the Mortgaged Property, or the rent or income received therefrom, or any use or occupancy thereof, and (iii) other taxes, assessments, fees and governmental charges levied, imposed or assessed upon or against Mortgagor in connection with the Mortgaged Property, and (iv) all annual premiums for insurance policies required to be maintained under this Mortgage.

(o) Leases: Any and all leases, subleases, licenses, concessions or grants of other possessory interests (written or oral) now or hereafter in force, covering or affecting the Mortgaged Property, or any part thereof or interest therein, together with all rights, powers, privileges, options and other benefits of Mortgagor thereunder (but under no circumstances any liabilities, obligations or responsibilities thereunder).

(p) Legal Requirements: The terms, covenants, conditions and restrictions now or hereafter existing to which Mortgagor, Beneficiary or any other Affiliated Person may be bound or to which the Mortgaged Property is subject under (i) any and all present and future statutes, laws, rulings, opinions, rules, regulations, codes, permits, certificates, approvals, ordinances, judicial decisions or orders of any Governmental Authority in any way applicable to Mortgagor, Beneficiary or any other Affiliated Person or the Mortgaged Property, and the ownership, use, occupancy, possession, development, design, construction, financing, operation, maintenance, alteration, repair, marketing, sale, lease or enjoyment thereof, including, without limitation, any related to zoning, building, utility service, sewer service, fire safety, land and water use, subdivision control, condominium property, environmental protection, occupational health and safety or flood hazard; (ii) Mortgagor's, Beneficiary's or any other Affiliated Person's presently or subsequently effective corporate resolutions, by-laws, articles of incorporation, partnership agreement, limited partnership agreement, joint venture agreement, or trust agreement, or other form of business association; (iii) any and all Leases; (iv) any and all Contracts; (v) any lease, sublease, option, articles of agreement for deed, installment contract or other contract or agreement pursuant to which Mortgagor is granted any possessory, legal, equitable, beneficial or other interest in the Mortgaged Property; and (vi) any and all other easements, covenants, conditions, restrictions, leases or other contracts and agreements (written or oral) of any nature to which Mortgagor, Beneficiary or any other Affiliated Person may be bound or to which the Mortgaged Property may be subject.

(q) Loan Documents: The Commitment, this Mortgage, the Note, Security Agreement and Assignment of Leases, Rents and Profits, all of even date herewith, and any and all other documents now or hereafter evidencing or securing the payment of the Indebtedness or the observance or performance of the Obligations and any and all amendments, modifications, restatements, replacements, substitutions, renewals, extensions and increases thereto whether heretofore or hereafter entered into in connection with the Indebtedness.

(r) Mortgaged Property: The Real Estate, Buildings, Fixtures, Leases, Contracts, Rents, Awards and Personalty together with:

(i) any and all rights, privileges, tenements, hereditaments, rights-of-way, easements, appendages and appurtenances of the Real Estate and/or the Buildings belonging or in any way appertaining thereto, and all right, title and interest of Mortgagor in and to any streets, ways, strips or gores of land adjoining the Real Estate or any part thereof; and

(ii) any and all betterments, additions, appurtenances, substitutions, replacements and after-acquired title or interests thereof and all reversions and remainders therein; and

(iii) any and all other security and collateral of any nature whatsoever, now or hereafter given, for the repayment of the Indebtedness or the performance and discharge of the Obligations.

(s) Mortgagee: Confederation Life Insurance Company, a Canadian mutual insurance company, and its successors and assigns, and the holders, from time to time, of the Note.

(t) Mortgagee's Address: P. O. Box 105103, Atlanta, Georgia 30348, Attention: U.S. Mortgage Investments.

(u) Mortgagor: Trustee and Beneficiary, collectively.

89167868

(v) Mortgagor's Address: c/o Beneficiary, at its address hereinabove set forth, and c/o Trustee, at its address hereinafter set forth.

(w) Obligations: Any and all of the covenants, conditions, warranties, representations and other obligations (other than the obligation to repay the Indebtedness) of Mortgagor or others to Mortgagee under or as set forth in the Note, this Mortgage or the other Loan Documents and under the Legal Requirements.

(x) Permitted Exceptions: The encumbrances and title exceptions specifically described in Exhibit C attached hereto and made a part hereof.

(y) Personalty: All right, title and interest of Mortgagor in and to all furniture, furnishings, equipment, machinery, goods, inventory and all other tangible personal property, and any intangibles of any kind or character as defined in and subject to the provisions of the Uniform Commercial Code now or hereafter located upon, within or about the Real Estate and Buildings, or used or useful in connection therewith, together with all existing or future accessories, replacements and substitutions thereto or therefor and the proceeds therefrom, including but not limited to: (i) all furniture, furnishings and equipment furnished by Mortgagor to tenants of the Real Estate or the Buildings; (ii) all building materials and equipment intended to be incorporated in the improvements now or hereafter to be constructed on the Real Estate, whether or not yet incorporated in such improvements; (iii) all machinery, apparatus, systems, equipment or articles used in supplying heating, gas, electricity, ventilation, air-conditioning, water, light, power, refrigeration, fire protection, elevator service, telephone and other communication service, master antennas and cable television service, waste removal and all fire sprinklers, smoke detectors, alarm systems, security systems, electronic monitoring equipment and devices; (iv) all window or structural cleaning and maintenance equipment; (v) all indoor and outdoor furniture, including tables, chairs, planters, desks, sofas, shelves, lockers, cabinets, wall safes and other furnishings; (vi) all rugs, carpets and other floor coverings, draperies, drapery rods and brackets, awnings, window shades, venetian blinds and curtains; (vii) all lamps, chandeliers and other lighting fixtures; (viii) all recreational equipment and materials; (ix) all office furniture, equipment and supplies; (x) all kitchen equipment and appliances, including refrigerators, ovens, dishwashers, range hoods and exhaust systems and disposal units; (xi) all laundry equipment, including washers and dryers; (xii) all tractors, mowers, sweepers, snow removal equipment and other equipment used in maintenance of interior and exterior portions of the Real Estate; and (xiii) all other maintenance supplies and inventories; provided, the enumeration of any specific articles of personalty set forth above shall in no way exclude or be held to exclude any items or property not specifically enumerated, and any of the foregoing items that do not constitute personal property but constitute fixtures under applicable law shall be included in the definition of the term "Fixtures" as used herein.

(z) Real Estate: The real estate, legal title to which is owned in fee simple by Trustee and legally described on Exhibit B attached hereto and made a part hereof.

(aa) Rents: All of the rents, revenues, income, profits, deposits and other benefits payable under the Leases and/or otherwise arising from or out of the Mortgaged Property, or out of the ownership, use, enjoyment or disposition of all or any portion of the Mortgaged Property or part thereof or interest therein.

(bb) Trustee: LaSalle National Bank, not personally but as Trustee under Trust Agreement dated December 1, 1983, and known as Trust No. 107311 (also defined above).

(cc) Trustee's Address: 135 South LaSalle Street, Chicago, Illinois 60603, Attention: Land Trust Department.

Article 3

GRANT

3.1 Grant. To secure the full and timely payment of the Indebtedness and the full and timely performance and discharge of the Obligations, Mortgagor by these presents hereby Grants, Bargains, Sells, Assigns, Mortgages and Conveys unto Mortgagee the Mortgaged Property, subject to, but only to, the Permitted Exceptions, to have and to hold the Mortgaged Property unto Mortgagee, its successors and assigns forever, and Beneficiary, by executing this Mortgage and by directing Trustee to execute and deliver this Mortgage, does hereby warrant that Mortgagor is well and lawfully seized of good, absolute and indefeasible fee simple absolute title to the Mortgaged Property, free and clear of all mortgages, liens, charges, security interests and encumbrances whatsoever,

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except only the Permitted Exceptions, and does hereby bind itself, its successors and assigns to warrant and forever defend fee simple absolute title to the Mortgaged Property unto Mortgagee, and the quiet and peaceful enjoyment and possession thereof, against every person whomsoever claiming the same or any part thereof or interest therein.

3.2 Condition of Grant. The condition of these presents is such that if Mortgagor shall pay or cause to be paid the Indebtedness as and when the same shall become due and payable, and shall observe, perform and discharge the Obligations in accordance with this Mortgage and the other Loan Documents, then this Mortgage and the other Loan Documents and the estates and rights granted by them shall be released and terminated by Mortgagee.

Article 4

ASSIGNMENT OF LEASES

4.1 Assignment of Leases, Rents and Profits. To further secure the full and timely payment of the Indebtedness and the full and timely performance and discharge of the Obligations, Mortgagor hereby sells, assigns and transfers unto Mortgagee all of the Leases and the Rents now due and which may hereafter become due under or by virtue of any of the Leases which may have been heretofore or may be hereafter made or agreed to by Mortgagor or the agents of Mortgagor, or which may be made or agreed to by Mortgagee under the powers herein granted, it being the intention hereby to establish an absolute and present transfer and assignment of all such Leases, Rents and all avails thereunder, to Mortgagee; provided, however, the acceptance by Mortgagee of the foregoing assignment, with all of the rights, powers, privileges and authority so created, shall not, prior to entry upon and taking possession of the Mortgaged Property by Mortgagee, be deemed or construed to constitute Mortgagee a "Mortgagee in Possession," nor thereafter or at any time or in any event obligate Mortgagee to appear in or defend any action or proceeding related to the Leases or to the Mortgaged Property, to take any actions thereunder, to expend any money, incur any expenses, or perform or discharge any obligation, duty or liability under the Leases, or to assume any obligation or responsibility for any security deposits or other deposits delivered to Mortgagor by any lessee thereunder. Reference is hereby made to that certain Assignment of Leases, Rents and Profits of even date herewith, executed by Mortgagor and Beneficiary to Mortgagee, which sets forth in more detail the terms and conditions of said assignment, including, without limitation, the rights, remedies, powers and authority vested in Mortgagee by virtue of said assignment, which terms, conditions, rights, remedies, powers and authority are herein incorporated by this reference. Neither Mortgagor nor Beneficiary shall have the right to terminate or enter into new leases with respect to the Mortgaged Property without giving Mortgagee prior written notice thereof and obtaining Mortgagee's prior written consent in connection therewith, except under certain circumstances expressly provided for in said Assignment of Leases, Rents and Profits.

Article 5

SECURITY AGREEMENT

5.1 Security Interest. This Mortgage shall be construed as a mortgage on real property and it shall also constitute and serve as a "Security Agreement" on personal property within the meaning of, and shall constitute, until the grant of this Mortgage shall terminate as provided in paragraph 3.2 hereinabove, a security interest under the Uniform Commercial Code with respect to the Personalty, Fixtures, Leases and Rents. To this end, Mortgagor does Grant, Bargain, Convey, Assign, Transfer and Set Over unto Mortgagee a security interest in and to any and all of Mortgagor's right, title and interest in, to and under the Personalty, Fixtures, Leases and Rents (hereinafter referred to as the "Collateral") to secure the full and timely payment of the Indebtedness and the full and timely performance and discharge of the Obligations. Reference is hereby made to that certain Security Agreement of even date herewith between Beneficiary and Mortgagee, which sets forth in more detail the terms and conditions of said Security Agreement and the rights, remedies, powers and authority vested in Mortgagee by virtue of said Security Agreement, which terms, conditions, rights, remedies, powers and authority are herein incorporated by reference.

5.2 Financing Statement. This Mortgage is intended to be a financing statement within the purview of the Uniform Commercial Code with respect to the Personalty and Fixtures. The addresses of Beneficiary (Debtor) and Mortgagee (Secured Party) are as

set forth herein. This Mortgage is to be filed for record in the real estate records of the county where the Real Estate is located. Mortgagor is the record owner of the Real Estate. Notwithstanding the foregoing, Mortgagor and Beneficiary hereby agree with Mortgagee to execute and deliver to Mortgagee, in form, scope and substance satisfactory to Mortgagee, any renewals or extensions of said Security Agreement or Financing Statements, and such additional Security Agreements or Financing Statements and such further reasonable assurances as Mortgagee may, from time to time, consider necessary to create, perfect and preserve Mortgagee's security interest herein granted, and Mortgagee may cause such statements and assurances to be recorded and filed at such times and places as may be required or permitted by law to so create, perfect and preserve such security interest.

Article 6

REPRESENTATIONS AND WARRANTIES

Trustee hereby represents and Beneficiary, by executing this Mortgage, and by directing Trustee to execute and deliver this Mortgage, hereby represents and warrants to Mortgagee as of the date hereof and as of all dates hereafter that:

6.1 Organization, Authority, etc. Mortgagor, Beneficiary and any other Affiliated Person: (a) are duly organized, validly existing and in good standing under the laws of the state of their respective organization and are qualified to do business and are in good standing in every jurisdiction in which the nature of their businesses or properties makes such qualification necessary, including, but not limited to, under the laws of the State of Illinois; (b) have the right and authority to own their properties and to carry on their businesses as now being conducted; and (c) are in compliance with all laws, regulations, ordinances and orders of public authorities applicable to them.

6.2 Validity of Loan Documents. (a) The execution, delivery and performance by Mortgagor or Beneficiary, as the case may be, of the Loan Documents, and the borrowing evidenced by the Note: (i) are within the powers of Mortgagor, Beneficiary and any other Affiliated Person; (ii) have been duly authorized by all requisite partnership, corporate or trust action; (iii) have received all necessary governmental approval; (iv) and, to the best of Mortgagor's knowledge, will not violate any of the Legal Requirements; and (b) the Note and the Loan Documents, when executed and delivered by Mortgagor, Beneficiary and any other Affiliated Person, as the case may be, will constitute the legal, valid and binding obligations of Mortgagor, Beneficiary and any other Affiliated Person named therein in accordance with their respective terms.

6.3. Permits and Approvals. All permits, certificates, approvals and licenses required for or in connection with the ownership, use, occupancy or enjoyment of the Mortgaged Property, or in connection with the organization, existence and conduct of the businesses of Mortgagor, Beneficiary or any other Affiliated Person, have been duly and validly issued to the best of Trustee's and Beneficiary's knowledge and are and shall at all times hereafter be in full force and effect.

6.4 Zoning. To the best of Trustee's and Beneficiary's knowledge, the Mortgaged Property is duly and validly zoned as to permit the current use, occupancy and operation of the Mortgaged Property, and such zoning is final and unconditional and in full force and effect, and no attacks are pending or threatened with respect thereto. The Mortgaged Property complies and will comply with the requirements, standards and limitations set forth in the applicable zoning ordinance and other applicable ordinances in all particulars, including, but not limited to, bulk, density, height, character, dimension, location and parking restrictions or provisions.

6.5 Utilities. All utility services necessary and sufficient for the current use, occupancy and operation of the Mortgaged Property are available to and currently servicing the Mortgaged Property without the necessity of any off-site improvements or further connection costs.

6.6 Access. To the best of Trustee's and Beneficiary's knowledge, all streets and highways necessary for access to and full use, occupancy and operation of the Mortgaged Property have been completed and are open and available to the Mortgaged Property without further condition or cost to Mortgagor.

6.7 Condition of Mortgaged Property. The Buildings are in operating condition, are structurally sound and wind and water tight, and all plumbing, electrical, heating, ventilation, air conditioning, elevator and other mechanical systems and equipment are in operating order, repair and condition.

6.8 Financial and Other Information. Neither this Mortgage nor any other document or statement furnished to Mortgagee by Mortgagor, Beneficiary or any other person contains or will contain any untrue statement of fact or omits or will omit to state a fact material to the submitted document or to the Mortgaged Property.

6.9 Other Information. All other information, reports, papers and data given to Mortgagee with respect to Mortgagor, Beneficiary or any other Affiliated Person or others obligated under the terms of the Loan Documents are accurate, correct and complete in all material respects.

6.10 Brokerage Commissions and Other Fees. No brokerage fees or commissions or other fees are payable in connection with the loan to be disbursed by Mortgagee hereunder, except for the mortgage broker's fee payable to Draper and Kramer, which fee shall be paid in full prior to or simultaneous with the closing of the loan secured hereby.

6.11 Other Agreements. (a) Mortgagor has heretofore given or caused to be given or shall hereafter give or cause to be given to Mortgagee true and correct copies (accompanied in each case by all related agreements and documents) of the partnership, corporate or trust agreements or articles or by-laws pursuant to which Mortgagor, Beneficiary and any other Affiliated Person was formed and any amendments thereto; (b) such instruments (i) have been duly executed and delivered by the respective parties thereto, (ii) have not been amended, modified, or assigned (except as specified therein), (iii) are in full force and effect and (iv) are legal, valid and binding obligations of the respective parties thereto in accordance with their respective terms; (c) Neither Mortgagor, Beneficiary nor any other Affiliated Person is a party to any agreement or instrument adversely affecting its respective present or proposed business, properties or assets, operation or condition, financial or otherwise; (d) Neither Mortgagor, Beneficiary nor any other Affiliated Person is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions set forth in any agreement or instrument to which it respectively is a party or to which the Mortgaged Property is subject; and (e) Neither Beneficiary nor any other Affiliated Person is, or without the prior written consent of Mortgagee shall be, a party to any contract or agreement, whether written or oral, with Mortgagor or any other Affiliated Person, involving or pertaining to the management, operation, maintenance of or in any way related to the Mortgaged Property.

6.12 Taxes. Mortgagor has filed all federal, state, county and municipal income tax returns required to have been filed by it, and has paid all taxes which have become due pursuant to such returns or pursuant to any assessments received by it, and Mortgagor does not know of any basis for additional assessment in respect of such taxes.

6.13 Litigation. There is not now pending against or affecting Mortgagor, Beneficiary, any other Affiliated Person or the Mortgaged Property, nor, to the knowledge of Mortgagor, is there threatened any action, suit or proceeding at law or in equity or by or before any administrative agency which, if adversely determined, would not be fully covered by liability insurance.

6.14 Hazardous Materials. To the best of Beneficiary's knowledge after conducting diligent inquiry, no portion of the Mortgaged Property has been used for or as a land fill, there are no known, nor have there been any, nor shall Beneficiary allow or cause there to be any Hazardous Materials (as hereinafter defined) generated, released, stored, buried or deposited over, beneath, in or on (or used in the construction and/or any renovation of) the Mortgaged Property or on or in any structures located on the Mortgaged Property from any source whatsoever. For purposes hereof, "Hazardous Materials" shall mean and include any hazardous, toxic or dangerous waste, substance or material defined as such in or for purposes of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 USC Section 9601 et. seq.), the Hazardous Materials Transportation Act (49 USC Section 1802 et. seq.), the Resource Conservation and Recovery Act (42 USC Section 6901 et. seq.), the Federal Emergency Response and Community Right-to-Know Act of 1986, the Responsible Property Transfer Act of 1988 of the State of Illinois or any other federal, state or local statute, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or materials as now or at any time hereafter in effect and any asbestos. Beneficiary hereby covenants and agrees to personally indemnify, defend and hold harmless Mortgagee and all persons claiming by, through or under Mortgagee from and against any and all claims, loss, damages, response costs, clean-up costs and expenses suffered or incurred by Mortgagee arising out of or in any way relating to the existence at any time of any Hazardous Materials in, on, under, at or used in the construction and/or renovation of the Mortgaged Property (excluding, however, reimbursement to Mortgagee of consequential damages

89167868

related to reinvestment of its funds in the event Mortgagee accelerates the Loan on account of such Hazardous Materials), including, but not limited to: (i) claims of third parties (including governmental agencies) for damages, penalties, response costs, clean-up costs, injunctive or other relief; (ii) costs of removal and restoration, including fees of attorneys and experts, and costs of reporting the existence of Hazardous Materials to any government agency; and (iii) any and all expenses or obligations incurred at, before and after any trial or appeal therefrom whether or not taxable as costs, including, without limitation, attorneys fees, witness fees, deposition costs, copying and telephone charges and other expenses, all of which shall be paid to Mortgagee by Beneficiary on demand, which indemnity shall survive the Maturity Date. Beneficiary agrees that Mortgagee may, in its sole discretion, retain an environmental expert at the expense of Beneficiary to perform one (1) or more tests to determine the level, if any, of Hazardous Materials in, on or at the Mortgaged Property, and the obligations of Mortgagee hereunder are subject to the acceptability, in Mortgagee's sole judgment, of such tests or reports. Before retaining any environmental expert, Mortgagee shall submit such expert's bid for services to Mortgagor and Mortgagor shall have ten (10) days to obtain a competitive bid from an environmental expert reasonably acceptable to Mortgagee. Mortgagee hereby agrees to contract with the lowest bidder providing services comparable to the services provided by the environmental expert selected by Mortgagee. If Mortgagor does not submit a competitive bid within the aforesaid ten (10) day period, Mortgagor will be deemed to have accepted Mortgagee's environmental expert.

6.15 Survival of Representations and Warranties. Each and all of the representations and warranties contained herein shall survive the execution and delivery of the Loan Documents and the consummation of the loan called for therein, and shall continue in full force and effect until the Obligations and the Indebtedness shall have been satisfied and paid in full.

Article 7

COVENANTS

Until the entire Indebtedness shall have been paid in full, Mortgagor hereby unconditionally covenants and agrees as follows:

7.1 Payment and Performance. Mortgagor shall pay or cause to be paid the Indebtedness, as and when all or any payment thereunder is due under the Note, this Mortgage or the Loan Documents, and shall perform or cause to be performed all of the Obligations in full on or before the dates the Obligations or any part thereof are required to be performed, and shall commit or suffer no act or event which (upon notice or the passage of time, or both) would constitute a default or Event of Default under the Loan Documents or the Legal Requirements.

7.2 Compliance with Laws. Mortgagor will promptly and faithfully comply with all present and future laws, ordinances, rules, regulations and requirements of every Governmental Authority and of every Board of Fire Underwriters having jurisdiction, or similar body exercising similar functions, which may be applicable to it or to the Mortgaged Property, or any part thereof, or to the use, occupancy, possession, operation, maintenance, alteration, repair, reconstruction or disposition of the Mortgaged Property, or any part thereof or interest therein.

7.3 Payment of Impositions. Mortgagor will duly pay and discharge, or cause to be paid and discharged, the Impositions, such Impositions or installments thereof to be paid not later than the day any fine, penalty, interest or cost may be added thereto or imposed by law for the non-payment thereof (the provisions of this paragraph 7.3 are not intended to affect Mortgagor's right or ability to protest taxes).

7.4 Repair. Mortgagor will keep the Mortgaged Property in operating condition and make all repairs and replacements thereof as are necessary or appropriate under sound management practices or as Mortgagee shall require, and will prevent any act or thing which might materially impair or diminish the value or usefulness of the Mortgaged Property. Mortgagor covenants and agrees to establish and maintain such cash reserves for deferred maintenance or improvements as are necessary or appropriate under sound management practices. Notwithstanding anything herein contained to the contrary, Mortgagor will obtain the written consent of Mortgagee prior to making any additions or material alterations to the Mortgaged Property; provided, however, Mortgagor will not be required to obtain Mortgagee's consent to tenant finish work undertaken in conjunction with the leasing of the Mortgaged Property in accordance with the Loan Documents and further provided, Mortgagee hereby expressly consents to the construction of a new entry way and ground floor restaurant for Convito Italiano.

7.5 Management, Leasing and Operation. Mortgagor shall provide competent and responsible management for the Mortgaged Property, with individuals devoting such time and attention as is necessary and appropriate to develop and maintain the Mortgaged Property as a high quality building. Unless Beneficiary manages the Mortgaged Property, Mortgagor shall employ management and leasing agents approved by Mortgagee, and the terms and conditions of any management, leasing or other commission agreement, or any change or replacement of any such agent or agreement, shall, at Mortgagee's option, be subject to approval by Mortgagee. Mortgagee hereby approves Centrum Properties, Inc. as managing agent. Mortgagor agrees that it shall assign to Mortgagee, as further security for the loan secured hereby, all of its right, title and interest in, to or under any management, leasing or other agreement relating to the operation of the Mortgaged Property, and Mortgagor further agrees that Mortgagee shall have the right, in its sole discretion and in addition to any other rights which Mortgagee may have under such assignment and under this Mortgage and the other Loan Documents, to terminate such management, leasing or other agreement in the event of a default under the loan secured hereby. Mortgagor covenants and agrees to hold all security deposits collected under any and all of the Leases in a segregated account and further covenants and agrees, at Mortgagee's direction, to establish and maintain such other cash reserves or segregated accounts as Mortgagee may deem necessary. Mortgagor further covenants and agrees that all Rents generated by or derived from the Mortgaged Property shall be utilized solely for expenses directly attributable to the Mortgaged Property, including Mortgagor's liabilities and obligations with respect to the Indebtedness and the Impositions, so that all of the foregoing are paid in full on or before the dates when due, and so that no accounts payable with respect to the Mortgaged Property shall be allowed to remain unpaid for more than thirty (30) days, and none of the Rents generated by or derived from the Mortgaged Property shall be diverted by Mortgagor and utilized for any other purposes unless the foregoing covenants and conditions have been fully satisfied. Upon full satisfaction of the foregoing covenants and conditions, Mortgagor may utilize any surplus Rents.

7.6 Insurance. Mortgagor shall procure for, deliver to and maintain for the benefit of Mortgagee during the term of this Mortgage all insurance required by Mortgagee including, without limitation, a policy or policies insuring the Mortgaged Property against loss or damage by fire, explosion, windstorm, hail, tornado, all other perils insured against under "extended coverage" or "all risk" policies, and such other hazards and such other or additional coverage as from time to time may be required by Mortgagee for One Hundred Percent (100%) of the full insurable value of the Mortgaged Property, including a replacement cost coverage endorsement without deduction for depreciation; comprehensive general public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Mortgaged Property, and affording protection in an amount not less than $1,000,000.00 for bodily injury or death of any one person, $3,000,000.00 for any one occurrence and not less than $1,000,000.00 for property damage, with such risks insured and with such waiver of subrogation clauses and other terms as may be required by Mortgagee; and Rent Insurance or Business Interruption Insurance in an amount sufficient to cover loss of rents from the Mortgaged Property for a period of at least six (6) months. If any portion of the fire or other risks insured as provided above are reinsured, such policies shall contain a "cut through" endorsement. Mortgagor shall deliver to Mortgagee the policies evidencing such insurance and any additional insurance which shall be taken out upon the Mortgaged Property, and receipts evidencing the payment of all premiums, and binders evidencing renewals of all such policies of insurance shall be delivered to Mortgagee at least ten (10) days before any such insurance shall expire, together with receipts evidencing the payment for such renewals. All renewal policies shall be delivered to Mortgagee within forty-five (45) days after delivery of the aforesaid renewal binder. Notwithstanding anything herein to the contrary, all policies required of Mortgagor by Mortgagee shall be written in amounts and with companies (having Best's financial size rating of Class A.VIII or higher) and in form and content satisfactory to Mortgagee; shall be payable jointly to Mortgagor and to Mortgagee as its interest may appear pursuant to a standard non-contributory mortgagee clause attached thereto which shall be in all respects satisfactory to Mortgagee; shall provide for at least thirty (30) days' written notice to Mortgagee prior to cancellation of such policies or any material change in the risk or coverages insured; shall provide that loss payments will be payable directly to Mortgagee alone; shall be maintained throughout the term of this Mortgage without cost to Mortgagee; shall be deposited with Mortgagee; and shall contain such provisions as Mortgagee deems necessary or desirable to protect its interest. Mortgagee shall have the right and option, but shall not be obligated, to make premium payments to prevent any cancellation, endorsement, alteration or reissuance and such payments shall be accepted by insurer to prevent the same. In the event of foreclosure of this Mortgage or other transfer of title to the Mortgaged Property in extinguishment in whole or in part of the Indebtedness, all right, title and interest

of Mortgagor in and to such policies then in force concerning the Mortgaged Property, and all proceeds payable thereunder, shall thereupon vest in the purchaser at such foreclosure or in Mortgagee in the event of such transfer. If a blanket policy is issued, a certified copy of said policy shall be furnished, together with a certificate indicating that Mortgagee is the insured under said policy in the proper designated amount.

7.7 Adjustment of Losses with Insurer and Application of Proceeds of Insurance. Mortgagor hereby assigns to Mortgagee all proceeds from any insurance policies pertaining to the Mortgaged Property, and Mortgagee is hereby authorized and empowered, at its option, to make or file proofs of loss or damage, to adjust or compromise any loss and to collect and receive the proceeds from any such policies. So long as Mortgagor is not in default hereunder, Mortgagee agrees to consult with Mortgagor when adjusting or compromising any insurance claim, however, any final determination shall be made in the sole judgment of Mortgagee. However, Mortgagee shall not be held responsible for any failure to collect any insurance proceeds regardless of the cause of failure. In the event the Mortgaged Property or any part thereof covered by such insurance is destroyed or damaged by fire, explosion, windstorm, hail or by any other casualty against which insurance shall have been required hereunder, then Mortgagee shall have the right, at its option after deducting from said insurance proceeds all of its actual expenses incurred in the collection and administration of such sums, to apply the net insurance proceeds in payment (without premium or penalty) of the Indebtedness (whether then matured or to mature in the future), either in whole or in part (in such order as Mortgagee shall deem proper), or to require the Mortgaged Property so destroyed or damaged to be repaired or replaced by the use of such proceeds; provided, however, if the Property has been damaged by less than twenty-five percent (25%) of the value thereof then Mortgagee shall make the net insurance proceeds available to Mortgagor for repair or replacement of the Property. If Mortgagee does elect to apply such insurance proceeds in payment or reduction of the Indebtedness secured hereby, whether due or not, and if the same are insufficient to pay such amount in full, then, if the Property has been damaged by twenty-five percent (25%) or more of the value thereof, Mortgagee shall have the right and option to declare the entire balance of the Indebtedness remaining unpaid to be immediately due and payable, without liability of Mortgagor for any prepayment fee or penalty.

7.8 Application of Insurance Proceeds. Provided no Event of Default hereunder or under any of the other Loan Documents is then existing, or no event has occurred which, with the giving of notice or the passage of time, or both, may ripen into an Event of Default hereunder or under the other Loan Documents, any such proceeds held by Mortgagee for repairs or replacements shall be held with a title insurance company or escrow agent designated by Mortgagee, upon such terms and conditions as Mortgagee may specify, with payment or allowance of interest thereon, if any, to be for the benefit of Mortgagor (however, no payment of interest shall be made prior to the completion of the repair or replacement and such interest, if any, shall be used for the repair or replacement if reasonably necessary or desirable in the judgment of Mortgagee) and shall be paid out from time to time to Mortgagor (or, at the option of Mortgagee, jointly to Mortgagor and the persons furnishing labor and/or materials incident to such restoration, repair or replacement or directly to such persons as the work progresses), upon such terms and conditions as Mortgagee may specify. As a condition precedent to the initial disbursement Mortgagor shall be required to simultaneously deposit with Mortgagee the amount, if any, which, when added to the net available insurance proceeds, is necessary and sufficient in Mortgagee's judgment to complete such repairs, rebuilding or other purposes as required by Mortgagee. If, upon completion of the work, any portion of the insurance proceeds has not been disbursed to Mortgagor (or one or more of the other aforesaid persons) incident thereto, Mortgagee may, at Mortgagee's option disburse such balance to Mortgagor or apply such balance toward the payment of the Indebtedness without prepayment fee or penalty; provided, however, if, upon completion of the work, the Mortgaged Property has been restored to its full value prior to the loss or damage which gave rise to the payment of the insurance proceeds (as determined by Mortgagee in the exercise of its reasonable discretion) then Mortgagee shall disburse any excess insurance proceeds to Mortgagor. Notwithstanding the foregoing, in the event of an Event of Default hereunder, Mortgagee shall have the right, at its option, to apply the whole or any part of such insurance proceeds toward any of the Indebtedness, in such order and manner as Mortgagee may elect.

7.9 Condemnation Proceeds. All Awards shall be paid to Mortgagee and, after deducting from said Awards all of its actual expenses in the collection and administration of said sums, Mortgagee shall have the right, at its option, to apply the net proceeds in payment (without premium or penalty) of the Indebtedness (whether then matured or to mature in the future), either in whole or in part (in such order as Mortgagee shall deem proper), or to require the Mortgaged Property so affected by such condemnation to be

repaired or restored by the use of such proceeds in the same manner as provided in paragraphs 7.7 and 7.8. If Mortgagee does elect to apply such proceeds in payment or reduction of the Indebtedness secured hereby, whether due or not, and if the same are insufficient to pay such amount in full, Mortgagee shall have the right and option to declare the entire balance of the Indebtedness remaining unpaid to be immediately due and payable, without liability of Mortgagor for any prepayment fee or penalty. Mortgagee shall be entitled to all Awards, and is hereby authorized, at its option, to commence, appear in and prosecute, in its own name or in Mortgagor's name, any such proceeding relating to any condemnation, and to settle or compromise any claim in connection therewith. So long as Mortgagor is not in default hereunder, Mortgagee agrees to consult with Mortgagor when prosecuting, settling or compromising any condemnation proceeding, however, any final determination shall be made in the sole discretion of Mortgagee. Mortgagor hereby assigns and transfers to Mortgagee all Awards and the claims, rights and proceedings in connection therewith. Mortgagor agrees to execute such further assignments of all Awards and claims, rights and proceedings in connection therewith as Mortgagee may request. Mortgagee shall not be held responsible for any failure to collect any amount in connection with any such proceeding regardless of the cause of failure.

7.10 Performance of Agreements. Mortgagor, Beneficiary and any other Affiliated Person will duly and punctually perform all covenants and agreements under any agreements to which it is respectively a party with respect to the Mortgaged Property or any part thereof.

7.11 Inspection. Mortgagor will permit Mortgagee or its representatives, at all reasonable times, to inspect the Mortgaged Property.

7.12 Hold Harmless. Mortgagor hereby agrees to protect, defend, indemnify and hold Mortgagee harmless of and from any liability, loss, cost, demand, action, proceeding or claim affecting the Mortgaged Property, or the value of the Note or the Loan Documents, and Mortgagor shall pay any and all costs and expenses incurred by Mortgagee as a result thereof, including any attorneys' fees, upon demand.

7.13 Books and Records. Beneficiary will maintain full and complete books and records reflecting the results of its operations (in conjunction with its other operations as well as its operations of the Mortgaged Property) in accordance with generally accepted accounting principles, and all such books and records shall be subject to inspection by Mortgagee and its representatives at all times.

7.14 Annual Statements. Beneficiary will cause to be delivered to Mortgagee, within one hundred twenty (120) days after the close of each fiscal year of Beneficiary: (a) an annual operating statement certified by an officer of Beneficiary, in form and substance satisfactory to Mortgagee, showing all income and expenses of Beneficiary with respect to the Mortgaged Property, and prepared by an independent certified public accountant satisfactory to Mortgagee; and (b) completed executed copies of reports of examinations of Beneficiary's and any other Affiliated Person's financial affairs, in form and substance satisfactory to Mortgagee, prepared by an independent certified public accountant satisfactory to Mortgagee. With respect to the operating statements, each statement shall include an annual rent schedule and such other data and information as Mortgagee may request. In addition to the foregoing, at any time and from time to time Mortgagor shall deliver or cause to be delivered to Mortgagee such other financial or business data or information as Mortgagee shall request with respect to the Mortgaged Property or Beneficiary. Mortgagee shall have the right to inspect and make copies of Beneficiary's books, records and income tax returns for the purpose of verifying any reports or other information delivered in accordance with this paragraph 7.14.

7.15 Deposits For Impositions. Mortgagor shall pay to Mortgagee, on and subsequent to the date hereof and on each of the due dates of installments of principal and/or interest as set forth in the Note, an amount equal to one-twelfth (1/12) of Mortgagee's estimate of the next annual Impositions. Mortgagor shall also pay to Mortgagee such additional amounts, to be determined by Mortgagee from time to time, as will provide a sufficient fund at least thirty (30) days prior to the due dates of the next installment of such Impositions for payment of such Impositions. Amounts held hereunder by Mortgagee shall not bear interest and may be commingled with Mortgagee's other funds. Provided no event has occurred which with the passage of time or the giving of notice or both would constitute an Event of Default hereunder, amounts held by Mortgagee pursuant to this Paragraph shall be made available to Mortgagor in sufficient time to allow Mortgagor to satisfy Mortgagor's obligations under the Loan Documents to pay Impositions. Upon an Event of Default under this Mortgage, or an event which with the passage of time or the giving of notice would constitute an Event of Default hereunder, Mortgagee may, at its option, without being required so to do, apply any deposits on hand to any of

the Indebtedness, in such order and manner as Mortgagee may elect. All deposits are hereby pledged as additional security for the Indebtedness, and shall be held by Mortgagee irrevocably to be applied for the purposes for which made as herein provided and shall not be subject to the direction or control of Mortgagor. If Mortgagee elects, Mortgagor shall provide, at its expense, a Tax Service Contract for the term of this Mortgage, issued by a tax reporting agency approved by Mortgagee. If Mortgagee does not so elect, Mortgagor shall reimburse Mortgagee for the cost of making annual tax searches throughout the term of this Mortgage.

7.16 Lien Status. Mortgagor shall protect the lien and security interest of this Mortgage and the other Loan Documents and shall not place, permit to be placed, or otherwise mortgage, pledge, hypothecate or encumber the Mortgaged Property with any other lien, attachment, levy or security interest of any nature whatsoever (whether mechanics' judgment, tax, statutory, contractual or other) regardless of whether the same is allegedly or expressly subordinate and inferior to the liens and security interests created by this Mortgage and the other Loan Documents, except as expressly provided in the Loan Documents and except for the Permitted Exceptions, and if any such lien or security interest is asserted against the Mortgaged Property, Mortgagor shall promptly, and at its own cost and expense, pay the underlying claim in full, or appear in and defend any action or claim, or take such other action so as to cause the same to be released within thirty (30) days of when asserted, made or filed.

7.17 Restrictions on Transfer and Financing. For the purpose of protecting Mortgagee's security, keeping the Mortgaged Property free from subordinate financing liens, and/or allowing Mortgagee to raise the interest rate and to collect assumption fees, Mortgagor agrees that any sale, conveyance, further encumbrance or other transfer of title to the Mortgaged Property, or any interest therein (whether voluntarily, involuntarily or by operation of law), without Mortgagee's prior written consent, which consent shall not be unreasonably withheld, shall be an Event of Default hereunder.

For the purpose of this paragraph 7.17 and without limiting the generality of the foregoing, the occurrence at any time of any of the following events, without Mortgagee's prior written consent, shall be deemed to be an unpermitted transfer of title to the Mortgaged Property and therefore an Event of Default hereunder:

(i) any sale, conveyance, assignment, or other transfer of, or the mortgage, pledge or grant of a security interest in all or any part of the legal and/or equitable title to the Mortgaged Property, including, without limitation, all or any part of the beneficial interest of a trustee Mortgagor, or the Personalty, except for a Permitted Conveyance (as defined in paragraph 7.18 hereof);

(ii) any sale, conveyance, assignment, or other transfer of, or the mortgage, pledge or grant of a security interest in any shares of stock of a corporate Mortgagor, a corporation which is the beneficiary of a trustee Mortgagor, a corporation which is the general partner of a partnership Mortgagor, a corporation which is a general partner of a partnership beneficiary of a trustee Mortgagor, a corporation which is the owner of substantially all of the stock of any corporation described in this subparagraph, or any other corporation having an interest, whether direct or indirect, in Mortgagor;

(iii) any sale, conveyance, assignment or other transfer of, or the mortgage, pledge or grant of a security interest in any general partnership interest of a partnership Mortgagor or a partnership beneficiary of a trustee Mortgagor, a partnership which is a general partner in a partnership Mortgagor, a partnership which is a general partner in a partnership beneficiary of a trustee Mortgagor, a partnership which is the owner of substantially all of the capital stock of any corporation described in paragraph 7.17(ii) above, or any other partnership having an interest, whether direct or indirect, in Mortgagor; or

(iv) if Mortgagor or Beneficiary shall terminate or dissolve or in any material way modify, amend or alter its trust, corporate or partnership existence, or fall from good standing, or convey, transfer, distribute, lease or otherwise dispose of all or substantially all of its property, assets or business.

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Any such sale, transfer, assignment, conveyance, lease, lien, pledge, mortgage, hypothecation or any other encumbrance or alienation or contract or agreement to do any of the foregoing other than a Permitted Conveyance shall be null and void and of no force or effect, but the attempted making thereof shall, at the option of Mortgagee, constitute an Event of Default hereunder, in which event Mortgagee shall have the right, at its option, to declare the entire Indebtedness immediately due and payable. Any consent by Mortgagee, or any waiver of an Event of Default under this paragraph 7.17, shall not constitute a consent to or waiver of any right, remedy or power of Mortgagee upon a subsequent Event of Default under this paragraph 7.17. Notwithstanding anything to the contrary contained in this paragraph 7.17, general partners in Beneficiary may transfer their respective general partnership interests inter se or to their respective spouses and children for the purposes of estate planning or to trusts established for the purposes of estate planning all without obtaining Mortgagee's prior written consent. Transfers of limited partnership interests in Beneficiary are not unpermitted transfers and consequently are not subject to the restrictions of this paragraph 7.17. It is understood that subordinate financing shall be allowed so long as the Net Income (hereinafter defined) derived from the Mortgaged Property provides a 1.1 to 1.0 combined Debt Service Coverage Ratio (hereinafter defined). "Net Income" shall mean the excess of cash receipts derived from Mortgagee approved leases of the Mortgaged Property, or any portion thereof, over cash disbursements and operating expenses attributable to the Mortgaged Property. Cash receipts shall not include the proceeds of the loan evidenced by the Note, insurance proceeds received on account of loss or damage to the Mortgaged Property or proceeds received on account of any condemnation or taking of all or any part of the Mortgaged Property. Cash disbursements shall not include payments out of or charged against reserve accounts (which reserve accounts shall be required and shall be maintained with adequate balances consistent with sound property management practices) but shall include sums designated for deposits to reserve accounts. "Debt Service Coverage Ratio" shall mean the quotient obtained by dividing the Net Income derived from the Mortgaged Property for the twelve (12) months immediately preceding the month for which the Debt Service Coverage Ratio is calculated by the aggregate Indebtedness due annually pursuant to the Note together with the annual obligations incurred pursuant to the terms of the subordinate financing calculated on a non-accrual basis with no negative amortization.

7.18 Permitted Conveyance. Notwithstanding anything to the contrary contained in paragraph 7.17 above, Mortgagee will not consent to a sale by Mortgagor of the Mortgaged Property, or an assignment by Beneficiary of the beneficial interest under Trustee, subject to the liens and security interests in favor of Mortgagee unless all of the Mortgaged Property or said beneficial interest, as the case may be, is the subject of such conveyance, and unless all of the following conditions are fulfilled:

(i) There shall have not occurred and then be continuing any default or Event of Default under this Mortgage or the other Loan Documents;

(ii) Mortgagor shall have given Mortgagee at least sixty (60) days prior written notice of its desire to convey the Mortgaged Property, together with financial information, including, without limitation, audited financial statements of the proposed grantee, sufficient to satisfy Mortgagee, in its sole and exclusive judgment, of the creditworthiness and management ability of the proposed grantee or assignee, and such other information pertaining thereto as Mortgagee shall request, all of which shall be in form and substance acceptable to Mortgagee;

(iii) The grantee or assignee shall, prior to the conveyance or assignment, have executed a written assumption agreement containing such terms as Mortgagee may require, including, if required by Mortgagee, an increase in interest payable under the Note, and any assumption fee required by Mortgagee has been paid; and

(iv) Mortgagor shall have paid Mortgagee a fee in the amount of One Percent (1%) of the unpaid Indebtedness at the time the Mortgaged Property is sold, conveyed or assigned; provided, however, Mortgagor shall be allowed to make one and only one transfer of the Mortgaged Property without being required to pay the aforesaid One Percent (1%) fee or any increased interest rate. Nothing in this subparagraph 7.18(iv) shall be construed as a waiver or modification of the consent requirement imposed pursuant to paragraph 7.17 above.

However, in the event Mortgagee has consented to the proposed conveyance or assignment, and, if Mortgagee has required an increase in the interest rate payable under the Note as a condition to such consent, then, in that event, Mortgagor shall have the right, but not the obligation, for a period of ninety (90) days following the date of Mortgagee's notice of such interest rate increase, to prepay the entire Indebtedness without penalty.

Notwithstanding the foregoing, Mortgagee's agreement to consent to Mortgagor's conveyance of the Mortgaged Property or Beneficiary's assignment of the beneficial interest under Trustee in accordance with this paragraph 7.18 shall not be construed or deemed in any way to permit a conveyance or assignment for collateral purposes, except for the purpose of granting Mortgagee a security interest therein, as contemplated hereunder. Mortgagee's agreement to consent to Mortgagor's conveyance of the Mortgaged Property or Beneficiary's assignment of the beneficial interest under Trustee without payment of the One Percent (1%) fee or any increased interest rate in accordance with this paragraph 7.18 shall not inure to the benefit of the grantee or assignee. Furthermore, a conveyance or assignment in accordance with this paragraph 7.18 shall not be construed as a waiver of any of Mortgagee's rights and remedies under the Note, this Mortgage or any other Loan Document.

7.19 Existence. Mortgagor and Beneficiary will preserve and keep in full force and effect its partnership, corporate or trust existence, rights, franchises and trade names.

7.20 Use Restrictions. Mortgagor shall not use, maintain, operate or occupy, or allow the use, maintenance, operation or occupancy of the Mortgaged Property in any manner which would: (a) be dangerous unless safeguarded as required by law; (b) constitute a public or private nuisance; (c) make void, voidable or cancellable, any insurance then in force with respect thereto; or (d) alter the current use and occupancy of the Mortgaged Property. Mortgagor will neither operate the Mortgaged Property nor permit the same to be operated as a cooperative or condominium building or buildings in which the tenants or occupants participate in the ownership, control or management of the Mortgaged Property, or any part thereof, as tenant stockholders or otherwise.

7.21 Alterations. Mortgagor shall not, without the prior written consent of Mortgagee, make or permit to be made any additions or material alterations to the Mortgaged Property; provided, however, Mortgagor will not be required to obtain Mortgagee's consent to tenant finish work undertaken in conjunction with the leasing of the Mortgaged Property in accordance with the Loan Documents and further provided, Mortgagee hereby expressly consents to the construction of a new entry way and ground floor restaurant for Convito Italiano. Notwithstanding the foregoing, in instances where repairs, replacements, renewals, additions, betterments, improvements or alterations are required in and to the Mortgaged Property on an emergency basis to prevent loss, damage, waste or destruction thereof, Mortgagor shall proceed to construct the same, or cause the same to be constructed; provided, however, that in instances where such emergency measures are to be taken, Mortgagor shall promptly notify Mortgagee of the commencement of the same and the measures to be taken, which shall be subject to Mortgagee's approval.

7.22 Replacement of Fixtures and Personalty. Mortgagor shall not, without the prior written consent of Mortgagee, permit any of the Fixtures or Personalty to be removed at any time from the Real Estate or Buildings, except to the extent permitted under the Security Agreement referred to in paragraph 5.1 hereof.

7.23 Restoration Following Any Casualty. If any act or occurrence of any kind or nature, ordinary or extraordinary, foreseen or unforeseen (including any casualty for which insurance was not obtained or obtainable or condemnation for which the award was obtained or not obtained), shall result in damage to or loss or destruction of the Mortgaged Property, Mortgagor shall give notice thereof to Mortgagee and shall promptly, at Mortgagor's sole cost and expense, and regardless of whether any insurance proceeds or condemnation award, or any portion thereof, shall be sufficient or shall be made available by Mortgagee for such purpose, commence and continue diligently to complete the restoration, repair, replacement and rebuilding of the Mortgaged Property as nearly as possible to its value, condition and character immediately prior to such damage, loss or destruction.

7.24 Tax on the Indebtedness. In the event of the enactment, after the date of this Mortgage, of any law of the State of Illinois deducting from the value of the Mortgaged Property for the purpose of taxation the amount of any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes, assessments, charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or Mortgagee's interest in the Mortgaged Property, or the manner of collection of taxes, so as to affect this Mortgage, the debt secured hereby or Mortgagee, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall pay such taxes or assessments or reimburse Mortgagee therefor; provided, however, that if, in the opinion of counsel for Mortgagee, (a) it may

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, Mortgagee may elect, by notice in writing given to Mortgagor, to declare the existence of an Event of Default hereunder, and all of the Indebtedness secured hereby shall become due and payable within sixty (60) days from the giving of such notice. Notwithstanding the foregoing, it is understood and agreed that Mortgagor is not obligated to pay any portion of Mortgagee's federal or state income tax.

Article 8

EVENTS OF DEFAULT

The term "Event of Default" shall mean the occurrence or happening, at any time and from time to time, of any one or more of the following, without notice to Mortgagor and without any grace period unless otherwise expressly set forth herein.

8.1 Payment of Indebtedness. If Mortgagor, Beneficiary or any other Affiliated Person shall default in the due and punctual payment of all or any portion of any installment of principal or interest comprising all or part of all or part of the Indebtedness as and when the same shall become due and payable.

8.2 Performance of Obligation. If Mortgagor, Beneficiary or any other Affiliated Person shall default in the due observance or performance of any of the Obligations as and when required and said default is incurable or, if curable, shall remain uncured for a period of thirty (30) days after written notice to Mortgagor from Mortgagee; provided, however, if the default in the observance or performance of the Obligation cannot be cured within thirty (30) days and Mortgagor has commenced and is diligently prosecuting said cure, then, so long as Mortgagor continues to diligently prosecute said cure, Mortgagor shall have such additional time as is reasonably necessary to satisfy or perform the Obligation but in no event more than an additional sixty (60) days.

8.3 Bankruptcy, Receivership, Insolvency, etc. If voluntary or involuntary proceedings under the Federal Bankruptcy Code shall be commenced by or against Mortgagor or Beneficiary, or bankruptcy, receivership, insolvency, reorganization, dissolution, liquidation or other similar proceedings shall be instituted by or against Mortgagor or Beneficiary with respect to all or any part of any or all of Mortgagor's or Beneficiary's property under the Federal Bankruptcy Code or other law of the United States, or of any state or other competent jurisdiction.

8.4 Laws Affecting Obligations and Indebtedness. If subsequent to the date of this Mortgage, any law is passed (a) which renders payment of the Indebtedness and/or performance of the Obligations by Mortgagor, Beneficiary or any other Affiliated Person unlawful or (b) which prohibits Mortgagee from exercising either or both of its right of foreclosure or its right to impose the Default Rate under the Loan Documents.

8.5 Foreclosure of Other Liens. If the holder of a junior or senior mortgage or other lien on the Mortgaged Property (without hereby implying Mortgagee's consent to any such junior or senior mortgage or other lien) declares a default or institutes foreclosure or other proceedings for the enforcement of its remedies thereunder.

8.6 Damage or Destruction. If the Mortgaged Property or any material part thereof is demolished, destroyed or damaged by any cause whatsoever and the loss is not adequately covered by insurance actually collected, and Mortgagor fails to deposit with Mortgagee the deficiency upon written request.

8.7 Tax on Indebtedness or Mortgage. If any law is enacted which results in the declaration of an Event of Default pursuant to paragraph 7.24 of this Mortgage.

8.8 Material Adverse Change. Intentionally Deleted.

8.9 False Representation. If any representation or warranty made by Mortgagor or Beneficiary or others in, under or pursuant to the Loan Documents shall be false or misleading in any respect on or at any time after the date when made, or if any material inaccuracy shall exist in any of the financial statements, operating information or other information furnished to Mortgagee in connection with the Loan Documents.

8.10 Failure to Notify Mortgagee of Default or False Representation. If Mortgagor or Beneficiary shall fail to notify Mortgagee in writing as soon as it shall be practicable to do so upon learning that any representation or warranty made by Mortgagor or

Beneficiary to Mortgagee is false or misleading in any material respect, or upon learning of the occurrence of any event which with the passage of time or the giving of notice or both would constitute an Event of Default under the Loan Documents.

8.11 Failure to Obtain Mortgagee's Consent to Transfer or Financing. If Mortgagor shall make any unpermitted transfer or financing in violation of paragraph 7.17 hereof.

8.12 Judgment, Levy or Attachment. If any final judgment for the payment of money in excess of Five Thousand Dollars ($5,000.00) shall be rendered against Mortgagor, Beneficiary or any other Affiliated Person, or if any writ, attachment, levy, citation, lien or distress warrant shall be issued against the Mortgaged Property or any part thereof or interest therein; provided, however, none of the foregoing shall constitute a default under any of the Loan Documents so long as Mortgagor is diligently contesting the same in good faith and has provided a payment bond as security for the discharge of any such writ, attachment, levy, citation, lien or distress warrant.

8.13 Inability to Pay Impositions and Other Debts. If Mortgagor shall fail to pay any of the Impositions when due, or if Mortgagor shall suffer or permit any other accounts payable in connection with the Mortgaged Property to become past due, or if Mortgagor or Beneficiary shall generally fail or be unable to pay its debts as they come due, or shall admit in writing its inability to pay its debts as they become due, or shall make a general assignment for the benefit of creditors. Nothing contained in this paragraph 8.13 shall be construed to diminish or affect Mortgagor's rights, if any, to make such payments under protest and no such payment shall constitute a default under any of the Loan Documents.

8.14 Other Indebtedness. If Mortgagor, Beneficiary or any other Affiliated Person shall default in the due and punctual performance of any covenants, conditions, warranties, representations or other obligations, including, without limitation, the repayment of indebtedness, under any documents or instruments evidencing or securing any other indebtedness owed to Mortgagee, and shall fail to cure such default within the applicable cure or grace period, if any.

8.15 Default under Leases. If Mortgagor or Beneficiary defaults under any Lease, and has not cured such default within the grace or cure period provided in the Lease, if any.

8.16 Presence of Hazardous Materials. If Mortgagor, Beneficiary or any other Affiliated Person shall default in the due and punctual performance of any covenants, conditions, warranties, representations or other obligations in violation of paragraph 6.14 hereof.

Article 9

DEFAULT AND FORECLOSURE

9.1 Remedies. If an Event of Default shall occur, Mortgagee may, at its option, exercise one or more or all of the following remedies either successively or concurrently:

9.1.1 Acceleration. Declare the unpaid portion of the Indebtedness to be immediately due and payable, without further notice or demand (each of which hereby is expressly waived by Mortgagor), whereupon the same shall become immediately due and payable.

9.1.2 Receiver. Apply at any time to a court having jurisdiction for the appointment of a receiver of the Mortgaged Property, and of the Rents and Leases; and such appointment shall be made by the court as a matter of strict right to Mortgagee and without reference to the adequacy or inadequacy of the security or value of the Mortgaged Property, or to the solvency or insolvency of Mortgagor, and Mortgagor does hereby irrevocably consent to such appointment. The Rents shall be applied by the receiver to the payment of the Indebtedness, as provided in Section 9.5 hereof, or as otherwise ordered by the court.

9.1.3 Entry on Mortgaged Property. Enter upon the Mortgaged Property, without force or with such force as is permitted by law, and without notice or process or with such notice or process as is required by law, unless such notice or process is waiveable, in which case Mortgagor hereby waives such notice and process, and take exclusive possession thereof and of all books, records and accounts relating thereto.

9.1.4 Power of Sale. To the fullest extent permitted and pursuant to the procedures provided by applicable law, exercise such power of sale as may be provided by applicable law, and sell or offer for sale the Mortgaged Property in such portions, order and parcels as Mortgagee may determine, with or without having first taken possession of same, to the highest bidder at public auction. Such sales shall be made in accordance with the Legal Requirements therefor for the state in which the Mortgaged Property is located, including, to the extent there relevant, the Uniform Commercial Code there in effect. Nothing contained in this Section 9.1.4 shall be construed to limit in any way Mortgagee's rights to sell the Mortgaged Property by private sale if and to the extent that such private sale is permitted under the laws of the state where the Mortgaged Property is located, or by public or private sale after entry of a judgment by any court of competent jurisdiction ordering the same.

9.1.5 Full or Partial Foreclosure. Pursuant to the procedures provided by applicable law, institute and prosecute foreclosure proceedings with respect to the Mortgaged Property; or, if Mortgagee so elects, institute foreclosure procedures only with respect to a portion of the Indebtedness or to a portion of the Mortgaged Property (such partial proceeding being hereinafter referred to as a partial foreclosure). Mortgagor agrees that sale pursuant to a partial foreclosure, if so made, shall not in any manner affect the remainder of the secured Indebtedness, but as to such remainder this Mortgage and the lien thereof shall remain in full force and effect just as though no foreclosure sale had been made under the provisions of this paragraph 9.1.5. Notwithstanding the filing of any partial foreclosure or entry of a decree of sale therein, Mortgagee may elect, at any time prior to a foreclosure sale pursuant to such decree, to discontinue such partial foreclosure and to accelerate the entire secured Indebtedness by reason of any Event of Default upon which such partial foreclosure was predicated, or by reason of any other Event of Default, and proceed with full foreclosure proceedings. It is further agreed that several foreclosure sales may be made pursuant to partial foreclosures without exhausting the right of full or partial foreclosure sale for any remainder of the secured Indebtedness, it being the purpose hereof to provide for a partial foreclosure sale of the secured Indebtedness without exhausting the power to foreclose, and to sell the Mortgaged Property pursuant to any such partial foreclosure for any other part of the secured Indebtedness, whether matured at the time or subsequently maturing, and without exhausting any right of acceleration and full foreclosure.

9.1.6 Other. Exercise any other remedy specifically granted under the Loan Documents or now or hereafter existing in equity, at law, by virtue of statute or otherwise.

9.1.7 Default Rate. Notwithstanding anything to the contrary contained in this Mortgage, Mortgagee shall have no right or option to implement the Default Rate until the expiration of any grace or cure period applicable to the subject Event of Default.

9.2 Right and Authority of Receiver or Mortgagee in the Event of Default; Power of Attorney. Upon the occurrence of an Event of Default hereunder and entry upon the Mortgaged Property pursuant to paragraph 9.1.3 hereof, or appointment of a receiver pursuant to paragraph 9.1.2 hereof, and under such terms and conditions as may be deemed prudent and reasonable, in Mortgagee's or the receiver's opinion under the circumstances, all at Mortgagor's expense, Mortgagee or said receiver, as the case may be, may do or permit any one or more of the following, successively or concurrently: (a) enter upon and take possession and control of the Mortgaged Property; (b) take and maintain possession of all documents, books, records, papers and accounts related to the Mortgaged Property; (c) exclude Mortgagor, its agents and employees wholly from the Mortgaged Property; (d) manage and operate the Mortgaged Property; (e) preserve and maintain the Mortgaged Property; (f) make repairs and alterations to the Mortgaged Property; (g) complete any construction or repair of the improvements on the Mortgaged Property with such changes, additions or modifications to the plans and specifications or intended disposition and use of the improvements under construction on the Mortgaged Property as Mortgagee may deem appropriate or desirable to place the Mortgaged Property in such condition as will, in Mortgagee's sole judgment, make it or any part thereof readily marketable or rentable; (h) conduct a marketing or leasing program with respect to the Mortgaged Property, or employ a marketing or leasing agent or agents to do so, directed to the lease or sale of the Mortgaged Property, under such other terms and conditions as Mortgagee may in its sole discretion deem appropriate or desirable; (i) employ such contractors, subcontractors, materialmen, architects, engineers, consultants, managers, brokers, marketing agents or other employees, agents, independent contractors or professionals, as Mortgagee may in its discretion deem appropriate or desirable, to implement and effectuate the rights and powers herein granted; (j) execute and

deliver, in the name of Mortgagor as attorney-in-fact and agent of Mortgagor, or in its own name as Mortgagee or receiver, such documents and instruments as are necessary or appropriate to consummate authorized transactions; (k) enter such leases, whether of real or personal property, or tenancy agreements, under such terms and conditions as Mortgagee or the receiver may in its sole discretion deem appropriate or desirable; (l) collect and receive the Rents from the Mortgaged Property; (m) eject tenants or repossess personal property, as provided by law, for breaches of the conditions of their leases or other agreements; (n) sue for unpaid rents, payments, income or proceeds in the name of Mortgagor or Mortgagee; (o) maintain actions in forcible detainer and actions in distress for rent; (p) compromise or give acquittance for rents, payments, income or proceeds that may become due; (q) delegate or assign any and all rights and powers given to Mortgagee by this Mortgage; and/or (r) do any acts which Mortgagee or receiver in its discretion deems appropriate or desirable to protect the security hereof, and/or use such measures, legal or equitable, as it may in its discretion deem appropriate or desirable to implement and effectuate the provisions of this Mortgage. This Mortgage shall constitute a direction to and full authority to any lessee or other third-party who has heretofore dealt or may hereafter deal with Mortgagor or Mortgagee, at the request of Mortgagee, to pay all amounts owing under any lease or other agreement to Mortgagee without proof of the default relied upon. Any such lessee or third-party is hereby irrevocably authorized to rely upon and comply with (and shall be fully protected by Mortgagor in so doing) any request, notice or demand by Mortgagee for the payment to Mortgagee of any Rents or other sums which may be or thereafter become due under its lease or other agreement, or for the performance of any undertakings under any such lease or other agreement, and shall have no right or duty to inquire as to whether any default under this Mortgage or any of the other Loan Documents has actually occurred or is then existing, and Mortgagor hereby constitutes and appoints Mortgagee, its assignees, successors, transferees and nominees, as Mortgagor's true and lawful attorney-in-fact and agent, with full power of substitution in the Mortgaged Property, in Mortgagor's name and stead, to do or permit any one or more of the foregoing described rights, remedies, powers and authorities, successively and concurrently, and said power of attorney shall be deemed a power coupled with an interest and irrevocable.

9.3 Remedies Cumulative and Concurrent. The rights and remedies of Mortgagee as provided herein and in the Loan Documents shall be cumulative and concurrent, and may be pursued separately, successively or together against Mortgagor, other obligors or the Mortgaged Property, or 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.

9.4 Waiver of Redemption, Notice, Marshaling, etc. To the extent permitted by law, Mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage, or under any sale pursuant to any statute, order, decree or judgment of any court, on its own behalf, and on behalf of each and every person acquiring any interest in or title to the Mortgaged Property or any portion thereof. Mortgagor further agrees, to the extent permitted by law, that if a default occurs hereunder, neither Mortgagor nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any homestead exemption, appraisement, valuation, stay, extension, moratorium or other laws now or hereafter in force, in order to prevent or hinder enforcement or foreclosure of this Mortgage, or absolute sale of the property hereby conveyed, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereat, and Mortgagor, for itself and all who may at any time claim through or under it, hereby waives and releases to the full extent that it may lawfully so do the benefit of such laws and any and all rights to have the assets comprised in the security intended to be created hereby marshalled upon any foreclosure of the lien hereof.

9.5 Application of Proceeds. The proceeds of any sale or all or any portion of the Mortgaged Property and the amounts generated by any holding, leasing, operation or other use of the Mortgaged Property shall be applied by Mortgagee in such order as Mortgagee may at its option elect, for the following purposes:

(a) to the payment of all of the reasonable costs and expenses of taking possession of the Mortgaged Property, and of holding, using, leasing, repairing, improving and selling the same, including, without limitation, payment of reasonable attorneys' fees and fees of a receiver;

(b) to the payment of accrued and unpaid interest due on the Note; and

(c) to the payment of the balance of the indebtedness.

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9.6 No Conditions Precedent to Exercise of Remedies: Mortgagor shall not be relieved of any Obligation by reason of: (a) the failure of Mortgagee to comply with any request of Mortgagor to foreclose the lien of this Mortgage or to enforce any provision of the other Loan Documents; (b) the release, regardless of consideration, of the Mortgaged Property, or any portion thereof, or the addition of any other property to the Mortgaged Property; (c) any agreement or stipulation extending, renewing, rearranging or in any other way modifying the terms of the Loan Documents without first having obtained the consent of, given notice to or paid any consideration to Mortgagor, and in such event Mortgagor shall continue to be liable to make payment according to the terms of any such extension or modification agreement unless expressly released and discharged in writing by Mortgagee; or (d) any other act or occurrence save and except the complete payment of the Indebtedness and the complete fulfillment of all of the Obligations.

9.7 Indemnity. Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability of Mortgagor, and to the extent provided by law and except for Mortgagee's willful misconduct or gross negligence, Mortgagor shall and does hereby agree to protect, indemnify, defend and hold Mortgagee harmless of and from any and all liability, loss, cost, expense or damage which it may or might incur in the exercise of its rights, remedies, powers and authority hereunder, and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations, undertakings or liabilities. Should Mortgagee incur any such liability, loss, cost or damage of or in the defense of any claims or demands, the amount thereof, including costs, expenses and attorneys' fees, shall be secured hereby, and Mortgagor shall reimburse Mortgagee therefor immediately upon demand, with interest accruing at the Default Rate.

9.8 Discontinuance of Proceedings. In case Mortgagee shall have proceeded to invoke any right, remedy or recourse permitted under the Loan Documents and shall thereafter elect to discontinue or abandon same for any reason, Mortgagee shall have the unqualified right so to do and, in such an event, Mortgagor and Mortgagee shall be restored to their former positions with respect to the Indebtedness, the Obligations, the Loan Documents, the Mortgaged Property and otherwise, and the rights, remedies, recourses and powers of Mortgagee shall continue as if the same had never been invoked.

Article 10

MISCELLANEOUS

10.1 Future Advances. This Mortgage is given to secure payment of the Note, whether the entire amount thereof shall have been advanced to Mortgagor at the date hereof, or at a later date, and to secure the payment and performance of all other liabilities and obligations of Mortgagor under the Note or the other Loan Documents, and any other amount or amounts which may be added to the Indebtedness under the terms of this Mortgage, all of which Indebtedness being equally secured with and having the same priority as any amounts advanced at the date hereof. It is agreed that any future advances made by Mortgagee to or for the benefit of Mortgagor from time to time under this Mortgage or the other Loan Documents shall be deemed to be obligatory, and the amount of any such advances, and all interest accruing thereon, shall be equally secured by this Mortgage and have the same priority as all amounts, if any, advanced as of the date hereof and be subject to all of the terms and provisions of this Mortgage. The total amount of indebtedness that may be so secured may increase or decrease from time to time, but the total unpaid balance so secured at any one time, plus interest thereon, plus any disbursements made for the payment of taxes, levies, insurance or other liens, charges or encumbrances on the Mortgaged Property, plus interest on such disbursements at the Default Rate, shall not exceed Five Hundred Percent (500%) of the face amount of the Note.

10.2 Further Assurances. Mortgagor, upon the reasonable request of Mortgagee, will execute, acknowledge and deliver such further instruments (including, without limitation, a declaration of no set-off) and do such further acts as may be necessary, desirable or proper to carry out more effectively the purpose of the Loan Documents.

10.3 Recording and Filing. Mortgagor will cause the Loan Documents and all supplements thereto at all times to be recorded and filed in such manner and in such places as Mortgagee shall request, and will pay any recording and filing taxes, fees and other charges in connection therewith.

10.4 Notice. All notices, demands, requests and other communications required under the Loan Documents shall be in writing and shall be deemed to have been properly given if delivered by messenger or if sent by U.S. first class mail, postage prepaid, addressed to the party for whom it is intended at Mortgagor's Address or Mortgagee's Address, as the case may be, and if to Mortgagee, with a copy to Coffield Ungaretti Harris & Slavin, 3500 Three First National Plaza, Chicago, Illinois 60602, Attention: James E. Lentz, Esq., and if to Mortgagor, with a copy to Lord, Bissell & Brook, 115 South LaSalle Street, Suite 3400, Chicago, Illinois 60603, Attention: Simon H. Aronson. Notice will be deemed to have been given upon delivery if delivered by messenger or on the date of mailing if mailed. Any party may designate a change of address by written notice to the other.

10.5 Mortgagee's Right to Perform the Obligations. If Mortgagor fails to make any payment or perform any act required by the Note, the Loan Documents or the Legal Requirements, Mortgagee, without any obligation so to do and without waiving any other right, remedy or recourse, may make such payment or perform such act at the expense of Mortgagor. All sums so paid by Mortgagee and all costs incurred in connection therewith, together with interest thereon at the Default Rate from the date of payment, shall constitute part of the Indebtedness secured by this Mortgage and the Loan Documents, and shall be paid by Mortgagor to Mortgagee on demand or, upon failure to pay on demand, shall be included in any judgment of foreclosure.

10.6 Modification. The Loan Documents and the terms of each of them may not be changed, waived, discharged or terminated orally, but only by an instrument or instruments in writing signed by the party against which enforcement of the change, waiver, discharge or termination is asserted.

10.7 No Waiver. All options and rights of election herein provided for the benefit of Mortgagee are continuing, and the failure to exercise any such option or right of election upon a particular default or breach or upon any subsequent default or breach shall not be construed as waiving the right to exercise such option or election at any later date. No exercise of the rights and powers herein granted and no delay or omission in the exercise of such rights and powers shall be held to exhaust the same or be construed as a waiver thereof, and every such right and power may be exercised at any time and from time to time.

10.8 Subrogation. If the proceeds of the Note are utilized in whole or in part to pay off any existing lien against the Mortgaged Property or any portion thereof, Mortgagee shall be subrogated to any and all rights of the holder of any such lien, whether or not it is assigned to Mortgagee, and said liens are hereby renewed, extended and carried forward in full force and effect for the benefit of Mortgagee.

10.9 Mortgagee's Costs and Expenses. Mortgagor further expressly covenants and agrees to pay to Mortgagee all actual costs and expenses of every kind paid or incurred by Mortgagee in any way in connection with the Note, this Mortgage or other Loan Documents, and the protection of the Mortgaged Property or the maintenance of the lien of this Mortgage, and the security interests under the other Loan Documents, or otherwise in connection with the determination and exercise by Mortgagee of any of its rights or remedies under the Loan Documents upon the occurrence of any event which, with the passage of time or the giving of notice or both, would constitute a default or an Event of Default hereunder, including any and all expenditures for documentary evidence, title insurance, minutes of foreclosure, or any abstract or opinion of title to the Mortgaged Property, and all similar fees, costs, charges and expenses, and including all attorneys' fees and stenographer's fees paid or incurred by Mortgagee in any suit or legal proceeding, or in preparation or in anticipation of declaring a default or Event of Default or in preparation or in anticipation of such suit or proceeding, regardless of whether such suit or proceeding is actually instituted, including, without limitation, any bankruptcy or insolvency proceeding, probate proceeding, or other proceeding in which Mortgagee may in its discretion intervene in order to protect its security, or appeal from any of the foregoing, or otherwise paid or incurred by Mortgagee in obtaining legal advice regarding its rights and remedies under the Loan Documents, or in determining whether to declare a default or Event of Default hereunder. All such fees, costs, charges and expenses shall constitute so much additional indebtedness evidenced by the Note and secured by this Mortgage, regardless of whether the same may cause the indebtedness secured hereby to exceed the face amount of the Note, and shall be immediately due and payable when incurred, with interest accruing thereon at the Default Rate, and shall be allowed in any decree of foreclosure hereof. No proceeding to foreclose this Mortgage, whether a decree of foreclosure shall have been entered therein or not, shall be dismissed, nor shall a release of this Mortgage be given until all such expenses, charges and costs of Mortgagee shall have been paid in full.

10.10 Usury. It is expressly stipulated and agreed to be the intent of Mortgagor and Mortgagee to at all times comply with applicable law now or hereafter governing the interest payable on the Note or the loan secured hereby. If the applicable law is ever revised, repealed, or judicially interpreted so as to render usurious any amount called for under the Note (or under any other instrument evidencing or relating to any of the secured indebtedness), or contracted for, charged, taken, reserved or received with respect to the loan secured hereby, or if Mortgagee's acceleration of the Note or any prepayment by Mortgagor results in Mortgagor having paid any interest in excess of that permitted by law, then it is Mortgagor's and Mortgagee's express intent that all excess amounts theretofore collected by Mortgagee be credited on the principal balance of the Note (or, if the Note has been paid in full, refunded to Mortgagor), and the provisions of the Note and this Mortgage and the other Loan Documents immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the then applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder.

10.11 Successors and Assigns; Covenants Running with the Land. The terms, provisions, covenants and conditions hereof and of the other Loan Documents shall be binding upon Mortgagee, Mortgagor, Beneficiary, their respective heirs, devisees, representatives, successors and assigns, and shall inure to the benefit of Mortgagee, Mortgagor, Beneficiary and their respective successors, substitutes and assigns, and shall constitute covenants running with the land. This subparagraph 10.11 shall in no way be construed to imply any consent by Mortgagee to any unpermitted transfer as set forth herein.

10.12 Conflict of Terms. The terms, provisions, covenants and conditions of this Mortgage shall be construed in such a manner as to be consistent with the terms and any other instruments executed in connection with or as security for the Note; provided, however, in the event of conflict between the terms of this Mortgage and the terms of the other Loan Documents, the terms of this Mortgage shall control.

10.13 Applicable Law. The rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of Illinois, except to the extent that Federal law must preempt the applicability of state usury or other laws.

10.14 Business Loan. Mortgagor acknowledges and agrees that (a) the Note, this Mortgage, and the other Loan Documents have been negotiated, executed and delivered in the State of Illinois; (b) the proceeds of the Note will be used for a "business purpose" as specified in Section 4(1)(c) of Paragraph 6407, ch. 17 of the Illinois Revised Statutes, and that accordingly, the principal obligation secured hereby constitutes a business loan which comes within the purview of said paragraph; and (c) the Indebtedness and the Obligations secured hereby are an exempted transaction under the Truth-In-Lending Act, 15 U.S.C. §§1601, et seq.

10.15 No Joint Venture; No Third Party Beneficiary. Mortgagor acknowledges and agrees that in no event shall Mortgagee be deemed to be a partner or joint venturer with it. 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 securing any portion of the Indebtedness or otherwise. No other person shall be deemed to have any right or priority under this Mortgage to any extent or for any purpose whatsoever, nor shall any other person have any claim or right of action with respect to the Mortgaged Property or proceeds of the Indebtedness, or be deemed a third-party beneficiary under this Mortgage or under the other Loan Documents.

10.16 Severability. The other Loan Documents are intended to be performed in accordance with, and only to the extent permitted by, all applicable Legal Requirements. If any provision of any of the other Loan Documents or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of the instrument in which such provision is contained, nor the application of such provision to other persons or circumstances nor the other instruments referred to herein shall be affected thereby, but rather shall be enforced to the greatest extent permitted by law. It is hereby expressly stipulated and agreed to be the intent of Mortgagor and Mortgagee to at all times comply with the usury and all other laws relating to the other Loan Documents. If at any time the applicable Legal Requirements render usurious any amount called for in any Loan Document, then it is Mortgagor's and Mortgagee's express intent that such document be enforced to the greatest extent permitted by law, so as to comply with the then applicable law, and so as to

permit the recovery of the fullest amount otherwise called for in such other Loan Documents.

10.17 Release Upon Payment and Discharge of Mortgagor's Obligations. If Mortgagor shall fully pay all principal and interest on the Note and all other Indebtedness evidenced and secured hereby, and perform and comply with all of the Obligations to be performed and complied with by Mortgagor, then this Mortgage shall be satisfied, and Mortgagee shall thereupon release this Mortgage and the lien thereof by proper instrument upon payment and discharge of all Indebtedness secured hereby and, if allowed by law, upon payment to Mortgagee of a reasonable fee for the preparation of such release.

10.18 Report of Real Estate Transaction. Mortgagor has made or provided for making, or will make or provide for making, on a timely basis, any reports or returns required under Section 6045(e) of the Internal Revenue Code of 1986 (and any similar reports or returns required by state or local law) relating to the Mortgaged Property, notwithstanding the fact that the primary reporting responsibility may fall on Mortgagee, counsel for Mortgagee, or some other third party. Mortgagor's obligations under this paragraph shall be deemed to be satisfied if proper and timely reports and returns required under this paragraph are filed by a title company or real estate broker involved in the real estate transaction relating to the Mortgaged Property, but nothing contained herein shall be construed to require such returns or reports to be filed by Mortgagee or counsel for Mortgagee.

10.19 Trustee's Exculpation. This Mortgage is executed by LaSalle National Bank, not personally but as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in such Trustee (and Trustee hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein or in the Note shall be construed as creating any liability on said Trustee personally to pay said Note or any interest that may accrue thereon, or any Indebtedness secured hereunder, or to perform any covenants, either express or implied therein or herein contained, or with regard to any warranty contained in the Mortgage except the warranty made in this paragraph, all such personal liability, of any, being expressly waived with respect to said Trustee by Mortgagee and by every person now or hereafter claiming any right or security hereunder, but nothing in the preceding portions of this paragraph shall be construed in any way so as to affect or impair the lien of the Mortgage, or Mortgagee's right to the foreclosure thereof, or be construed in any way so as to limit or restrict any of the rights and remedies of Mortgagee in any such foreclosure proceedings or other enforcement of the payment of the Indebtedness secured hereby out of and from the security given therefor in the manner provided herein, in the Note and other instruments given to secure the Note, and further shall not in any way be construed to restrict or limit Mortgagee's absolute right to enforce personal liability against any co-maker, endorsor, guarantor or guarantors of the Note or any other instrument given to secure the Indebtedness.

10.20 Limited Non-Recourse Provision. Notwithstanding any other provision contained in this Mortgage, in the event of any default under the terms hereof or of the Note or of any other Loan Document, or upon maturity of the Note, whether by acceleration or the passage of time or otherwise, subject to the limitations expressly set forth below, there shall be no personal liability of Mortgagor for the payment of principal or interest or other amounts which may be due and payable on or under the terms of the Note, this Mortgage or the other Loan Documents. Mortgagee shall look solely to the Mortgaged Property and any other security granted to Mortgagee under the terms hereof and the other Loan Documents upon foreclosure of the lien hereof and of the other Loan Documents, and shall not institute, seek, obtain or take any deficiency or monetary judgment against Mortgagor, or against any property of Mortgagor other than the Mortgaged Property, for any amounts unsatisfied after the application of the Mortgaged Property and other security granted to Mortgagee under the terms of this Mortgage and the other Loan Documents, and the proceeds thereof; provided, however, that nothing contained in this paragraph shall in any manner or way release, affect or impair: (a) the existence of the debt evidenced by the Note; (b) the enforceability of the liens and security interests created by this Mortgage and the other Loan Documents; (c) the right of Mortgagee to recover from Mortgagor any funds, damages or costs (including, without limitation, reasonable attorneys' fees) incurred by Mortgagee as a result of fraud or material misrepresentation by or on behalf of Mortgagor; (d) the right of Mortgagee to recover from Mortgagor any condemnation or insurance proceeds which are not utilized in accordance with the terms of this Mortgage and other Loan Documents; (e) the right of Mortgagee to recover from Mortgagor any funds, damages or costs incurred by Mortgagee in connection with the payment of any real estate taxes and special assessments not paid by Mortgagor in accordance with the terms of this Mortgage; provided, however, nothing herein shall be deemed to construe any personal obligation or personal liability on

Beneficiary or any of its general partners to pay any real estate taxes or special assessments out of its own funds; (f) the right of Mortgagee after an occurrence of a default or an Event of Default under this Mortgage or any of the other Loan Documents to recover from Mortgagor any rents or other income received by Mortgagor from tenants of the Mortgaged Property from and after said Event of Default; (g) the right of Mortgagee after the occurrence of an Event of Default to recover from Mortgagor any funds, damages or costs incurred by Mortgagee as a result of any material waste intentionally caused by Mortgagor that directly results in a material reduction in the value of the Mortgaged Property (this shall not apply to a mere failure of Mortgagor to maintain and repair the Mortgaged Property); (h) the right of Mortgagee to recover from Mortgagor any sums expended by Mortgagee in performance or compliance with all covenants, agreements and provisions of any of the Leases which is so expended by Mortgagee as a result of Mortgagor's willful neglect or refusal to so perform said obligations or as a result of any intentional act or omission of Mortgagor intended to prevent, or tending to prevent, Mortgagee from recovering any rentals lost by reason of Mortgagor's intentional nonperformance of said obligations; provided, however, that nothing in this subsection (h) shall be deemed or construed to impose any personal liability or obligation upon Beneficiary or any of its general partners to perform any of the obligations using their own funds; (i) the right of Mortgagee after the occurrence of an Event of Default to recover from Mortgagor the full amount of all security deposits, including any interest accrued thereon, held by Mortgagor pursuant to the Leases; and (j) the right of Mortgagee to recover from Beneficiary any funds, damages or costs (including, without limitation, attorney's fees) incurred by Mortgagee pursuant to an indemnification of Mortgagee or in connection with a violation of the terms of paragraph 6.14 hereof.

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be executed as of the day and year first above written.

LASALLE NATIONAL BANK, not personally but as Trustee under Trust Agreement dated December 1, 1983 and known as Trust No. 107311

ATTEST: [SEAL]

By: _____
Name: Rosemary Collins
Title: ASSISTANT SECRETARY

By: _____
Name: JOSEPH W. LANG
Title: VICE PRESIDENT

CHESTNUT GALLERIA LIMITED PARTNERSHIP, an Illinois limited partnership

By: _____
Arthur Slaven, general partner

and

By: _____
Lawrence Ashkin, general partner

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TRUSTEE'S ACKNOWLEDGMENT

STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, Kathy Pacana, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that JOSEPH W. LANG and Rosemary Collins, the VICE PRESIDENT and Assistant Secretary, respectively, of LASALLE NATIONAL BANK, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such officers, 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, not personally but as Trustee under Trust No. 107311, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 13th day of April, 1989.

Kathy Pacana
Notary Public

My Commission Expires:

6-11, 1992

"OFFICIAL SEAL"
Kathy Pacana
Notary Public, State of Illinois
My Commission Expires June 11, 1992

BENEFICIARY'S ACKNOWLEDGMENT

STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, RITA L. SELLA, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that ARTHUR SLAVEN and LAURENCE ASHKIN, the authorized general partners of CHESTNUT GALLERIA LIMITED PARTNERSHIP, an Illinois limited partnership, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such general partners, 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 limited partnership, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 13 day of April, 1989.

Rita L. Sella
Notary Public

My Commission Expires:

1-7, 1989

"OFFICIAL SEAL"
RITA L. SELLA
Notary Public, State of Illinois
My Commission Expires 1/7/92

This instrument was prepared by and after recording should be mailed to:

Dana L. Vitt, Esq.
Coffield Ungaretti Harris & Slavin
3500 Three First National Plaza
Chicago, Illinois 60602

89167868

EXHIBIT A
PROMISSORY NOTE

$5,500,000.00

Chicago, Illinois
April ___, 1989

FOR VALUE RECEIVED, LASALLE NATIONAL BANK, not personally but as Trustee under Trust Agreement dated December 1, 1983 and known as Trust No. 107311 (hereinafter referred to as "Maker"), hereby promises to pay to the order of CONFEDERATION LIFE INSURANCE COMPANY, a Canadian mutual insurance company (hereinafter referred to as "Payee"), at its office in Chicago, Illinois, or at such other place as Payee may from time to time designate, in the manner hereinafter provided, the principal sum of FIVE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS ($5,500,000.00), in lawful money of the United States of America, together with interest at the rate of Ten and One-Quarter Percent (10.25%) per annum (hereinafter referred to as the "Interest Rate"), subject to adjustment as hereinafter set forth, from the date hereof on the balance of principal remaining from time to time unpaid, as follows:

(i) On the day of the disbursement of the principal sum, Maker shall pay to Payee an installment of prepaid interest only on the principal balance outstanding hereunder from the date of disbursement to the last day of the calendar month in which disbursement occurs.

(ii) On the first day of the second calendar month following the calendar month in which disbursement occurs and on the first day of each of the next one hundred eighteen (118) consecutive calendar months thereafter, Maker shall pay to Payee equal monthly installments of principal and interest in the amount of Forty Nine Thousand Two Hundred Eighty-Six and No/100 Dollars ($49,286.00) calculated and determined on the basis of the Interest Rate and a thirty (30) year amortization schedule, subject to adjustment as hereinafter set forth. All payments shall be applied first to interest and then to principal outstanding hereunder, except that if any advance made by Payee under this Note or under any of the Loan Documents (as hereinafter defined) or any late payment charge is not paid when due, Payee shall have the option of applying any monies received from Maker to payment of such advances or charges plus interest thereon before applying any of such monies to any installment then due.

(iii) All of the unpaid principal balance outstanding hereunder and any unpaid interest accrued thereon and all other sums which may be due and owing pursuant to any of the other Loan Documents (as hereinafter defined) shall be due and payable, if not sooner paid and if not sooner due by acceleration, or as otherwise hereinafter set forth, on May 1, 1999 (the foregoing applicable date being hereinafter referred to as the "Maturity Date").

Interest shall be calculated hereunder on the basis of a 360-day year. In the event the unpaid principal balance of this Note becomes due and payable on a date other than the first day of a calendar month, a final payment of interest at the rate provided in this Note shall be due and payable on such date.

This Note is secured by a certain Mortgage, Assignment of Leases and Security Agreement of even date herewith (hereinafter referred to as the "Mortgage") executed by Maker and Chestnut Galleria Limited Partnership, an Illinois limited partnership (hereinafter referred to as "Beneficiary"), which encumbers and is secured by certain real estate and improvements thereon located at 1-19 East Chestnut Street, Chicago, Cook County, Illinois, and legally described on Exhibit B attached to the Mortgage (hereinafter referred to as the "Real Estate"), and is further secured by other Loan Documents (as defined in the Mortgage) all of which documents bear even date herewith.

Payee shall have the right, but not the obligation, to adjust the Interest Rate on May 1, 1994 (the "Early Maturity Date") in the following manner:

(i) Payee shall deliver to Maker written notice not more than 120 days nor less than 90 days prior to the Early Maturity Date (the "Adjustment Notice"), which shall specify the rate of interest (the "Adjusted Interest Rate") other than the Interest Rate which shall be effective as of the Early Maturity Date, and the new monthly installments of principal and interest

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(the "Adjusted Monthly Installments") to be due and payable as a result of such Adjusted Interest Rate. The Adjusted Interest Rate shall be Payee's then current five (5) year term rate for mortgage loans made to finance retail/office buildings of a quality similar to the retail/office building located on the Real Estate; and

(ii) Payee and Maker shall, within sixty (60) days after receipt of the Adjustment Notice by Maker, enter into an amendment to this Note (and amendments to such other Loan Documents as Payee shall require) in form and content satisfactory to Payee setting forth the Adjusted Interest Rate and the Adjusted Monthly Installments.

If the Adjustment Notice has been timely made by Payee and if the event described in clause (ii) immediately above has not been timely accomplished without Lender's fault, then, in that event, the entire amount of principal and interest and all other amounts then remaining unpaid on the Loan shall be due and payable on the Early Maturity Date.

In the event Payee does not exercise its right to adjust the Interest Rate upon the Early Maturity Date, this Note and the other Loan Documents shall continue and remain in full force and effect upon all terms and conditions stated therein.

Whether or not Payee delivers the Adjustment Notice described above, Maker, at its option, may prepay on the Early Maturity Date the entire balance of principal and interest then remaining unpaid hereon without Prepayment Premium (as hereinafter defined), provided that Maker notifies Payee of its intent to prepay the Note on the Early Maturity Date by written notice delivered to Payee not less than sixty (60) days nor more than ninety (90) days prior to such Early Maturity Date.

Except as specifically provided in this paragraph and in the above Interest Rate adjustment provisions and in the Mortgage, no prepayment of the indebtedness evidenced by this Note is permitted. Maker shall have the privilege to prepay in full, but not in part, the entire unpaid principal balance hereunder at any time prior to the Maturity Date upon giving Payee not less than sixty (60) days prior written notice of such prepayment; provided, however, in the event that Maker so elects to prepay the entire unpaid principal balance hereunder, in addition to the unpaid principal balance and all interest accrued thereon, Maker shall pay to Payee the Prepayment Premium. Maker agrees that in the event Maker notifies Payee of Maker's intention to prepay this Note, the date designated for such prepayment shall there and then become the Maturity Date and Maker shall be obligated to make such prepayment in full on that date. The parties agree and acknowledge (i) the parties have negotiated in advance the Prepayment Premium provided for herein, both parties being represented by counsel or having the opportunity to consult counsel; (ii) the Prepayment Premium is reasonable; (iii) the Prepayment Premium shall be paid immediately upon any prepayment not allowed hereunder; (iv) there is good and valuable consideration for the agreement to pay such Prepayment Premium; and (v) Maker shall not be permitted after execution hereof to claim otherwise than as agreed to herein.

"Prepayment Premium" means an amount equal to the unpaid principal balance hereunder (including accrued interest) at the time of prepayment multiplied by the Monthly Interest Payment Differential (as hereinafter defined) which is then discounted at the "Treasury Yield" rate over the Comparison Period (as hereinafter defined).

"Monthly Interest Payment Differential" equals one-twelfth (1/12) of the amount (if any) by which the effective annual Interest Rate (or effective annual Adjusted Interest Rate, if applicable) hereunder (i.e. the Interest Rate, or Adjusted Interest Rate, if applicable) as of the date of such prepayment exceeds the Treasury Yield (as hereinafter defined) for the period of time that most nearly equals the remainder of the Comparison Period.

"Comparison Period" means the period from the date of such prepayment through the next to occur of the Maturity Date or the Early Maturity Date, as the case may be.

"Treasury Yield" means the yield in percent per annum of the Treasury Constant Maturities for the Comparison Period as published in document H.15(519) (presently published by the Board of Governors of the Federal Reserve System titled "Federal Reserve Statistical Release") for the calendar week immediately preceding the calendar week in which the prepayment occurs. If the yield of the Treasury Constant Maturities for the

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calendar week in question is not published on or before the business day preceding the date the Treasury Yield in question is to become effective, then the Treasury Yield shall be based upon the yield of the Treasury Constant Maturities for the Comparison Period for the most recent calendar week for which such publication has occurred. If no yield for Treasury Constant Maturities is published for the specific Comparison Period specified in this Note, the Treasury Yield for such Comparison Period shall be the weighted average of the yields of the Treasury Constant Maturities most nearly corresponding to the specific Comparison Period specified in this Note. If the publishing of the yield of Treasury Constant Maturities is ever discontinued, then the Treasury Yield shall be based upon the index which is published by the Board of Governors of the Federal Reserve System in replacement thereof or, if no such replacement index is published, the index which, in Payee's reasonable determination, most nearly corresponds to the yield of the Treasury Constant Maturities.

Notwithstanding the above, Maker shall not be obligated to pay any Prepayment Premium to Payee if, at the time of said prepayment, the Treasury Yield is equal to or greater than the then effective annual Interest Rate (or effective annual Adjusted Interest Rate, if applicable) for the applicable period.

As used herein, the term "prepayment" shall mean any event whereby the principal balance outstanding hereunder, together with interest due and owing thereon, is fully or partially satisfied in any manner, whether voluntarily or involuntarily, prior to the Maturity Date, including, but not limited to, payment after the Maturity Date is accelerated, payment by any holder of a subordinate interest in the property encumbered, payment by any sale under court order or trustee's sale or deed in lieu thereof, or payment by sale or other method under any bankruptcy or insolvency proceedings.

Maker, by the signature appearing immediately following this paragraph, expressly waives any right to prepay the loan evidenced hereby, except as specifically provided above. Therefore, if the maturity of this Note is accelerated by reason of any default hereunder or under any document securing or executed in connection with this Note, or the indebtedness due hereunder is satisfied in full or in part in some other manner, Maker agrees that any tender to cure such default and any prepayment of the indebtedness evidenced hereby resulting from such default, including any redemption following foreclosure of the Mortgage which secures this Note, shall constitute an evasion of the restrictions on prepayment set forth herein and shall be deemed a voluntary prepayment. Accordingly, to the extent permitted by law, Payee may impose as a condition to accepting any such tender, and may bid at any foreclosure sale under the Mortgage which secures this Note, the Prepayment Premium that would otherwise have been due in connection with a prepayment made on such date. Maker acknowledges that it is a knowledgeable real estate developer or investor that fully understands the effect of the waiver contained above, considers that the making of the loan by Payee at the interest rate set forth above is sufficient consideration for such waiver, and understands that Payee would not make this loan without such waiver.

LaSalle National Bank, not personally but as Trustee under Trust Agreement dated December 1, 1983 and known as Trust No. 107311

By:_____

If (i) Maker fails to pay any installment or payment of principal or interest or other charge due hereunder or under any of the Loan Documents when due, or (ii) if at any time hereafter the right to foreclose or exercise the remedies available under the Mortgage or other Loan Documents or to accelerate this Note shall accrue to Payee under any of the provisions contained in this Note, the Mortgage, or the other Loan Documents, including, without limitation, by reason of the Real Estate or any part thereof, or any legal, equitable or beneficial interest therein, or in Beneficiary (as defined in the Mortgage), being sold, assigned, transferred, conveyed, mortgaged or otherwise liened or encumbered to or in favor of any party other than Payee in contravention of the Loan Documents, or by reason of Maker or any beneficiary of Maker entering into any contract or agreement for any of the foregoing, or (iii) if at any time hereafter any other default occurs under the Mortgage or any of the Loan Documents, and Maker fails to cure any of the events specified in (i), (ii) or (iii) in this paragraph within the time period, if any, provided for curing

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the same under the terms of the Mortgage or other Loan Documents, then at the option and election of Payee, and without further notice, grace or opportunity to cure, the entire unpaid principal balance outstanding hereunder, together with all interest accrued thereon, shall be accelerated and become immediately due and payable at the place of payment aforesaid.

In case the right to accelerate this Note shall accrue by reason of any of the events of default referred to in the preceding paragraph, in lieu of or in addition to any other right or remedy then available under this Note or the other Loan Documents, Payee shall have the right and option, without further notice, to implement, as of and from the date of default, the "Default Rate" (as hereinafter defined) to the entire principal balance outstanding under the Note and all accrued interest thereon. For purposes of this Note, the "Default Rate" shall mean the rate of Five Percent (5%) per annum in excess of the rate of interest otherwise applicable under this Note, unless prohibited by applicable law, in which event at the highest rate permitted by applicable law.

Notwithstanding the receipt of any monthly installment payment within any cure or grace period and without limiting the foregoing, Payee shall have the option, in lieu of or in addition to acceleration and/or implementing the Default Rate and/or exercising any other right or remedy, to require that Maker shall pay to Payee a late payment charge equal to Five Percent (5%) of any monthly installment payment not received on the applicable due date to partially defray the additional expenses incident to the handling and processing of past due payments. The foregoing late payment charge shall apply individually to all past due payments and shall be subject to no daily pro rata adjustment or reduction.

Notwithstanding anything to the contrary herein contained, Payee shall have no right or option to implement the Default Rate until the expiration of any grace or cure period applicable to the subject default or event of default.

Time is of the essence hereof.

Maker, for itself and its successors and assigns, and each co-maker, endorser or guarantor, if any, of this Note, for their successors and assigns, hereby forever waives presentment, protest and demand, notice of protest, demand, dishonor and non-payment of this Note, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Note, and waives and renounces all rights to the benefits of any statute of limitations and any moratorium, appraisement, exemption and homestead law now provided or which may hereby be provided by any federal or state statute or decisions, including, but not limited to, exemptions provided by or allowed under the Bankruptcy Code against the enforcement and collection of the obligations evidenced by this Note, and any and all amendments, substitutions, extensions, renewals, increases, and modifications hereof to the extent permitted by law and not prohibited by public policy. Maker agrees to pay all costs and expenses of collection and enforcement of this Note when incurred, including Payee's reasonable attorneys' fees and legal and court costs, including any incurred on appeal or in connection with bankruptcy or insolvency, whether or not any lawsuit or proceeding is ever filed with respect hereto. No extensions of time of the payment of this Note or any installment hereof or any other modification, amendment or forebearance made by agreement with any person now or hereafter liable for the payment of this Note shall operate to release, discharge, modify, change or affect the liability of any co-maker, endorser, guarantor or any other person with regard to this Note, either in whole or in part.

No failure on the part of Payee or any holder hereof to exercise any right or remedy hereunder, whether before or after the occurrence of a default, shall constitute a waiver thereof, and no waiver of any past default shall constitute a waiver of any future default or of any other default. No failure to accelerate the debt evidenced hereby by reason of default hereunder, or acceptance of a past due installment, or indulgence granted from time to time shall be construed to be a waiver of the right to insist upon prompt payment thereafter, or to impose the Default Rate retroactively or prospectively, or to impose late payment charges, or shall be deemed to be a novation of this Note or a reinstatement of the debt evidenced hereby, or a waiver of such right of acceleration or any other right, or be construed so as to preclude the exercise of any right which Payee or any holder hereof may have, whether by the laws of the State of Illinois, by agreement or otherwise, and none of the foregoing shall operate to release, change or affect the liability of Maker or any co-maker, endorser or guarantor of this Note, and Maker and each co-maker, endorser and guarantor hereby expressly waive the benefit of any statute or rule of law or equity which would produce a result contrary to or in con-

flict with the foregoing. This Note may not be modified or amended orally, but only by an agreement in writing signed by the party against whom such agreement is sought to be enforced.

The parties hereto intend and believe that each provision in this Note comports with all applicable local, state and federal laws and judicial decisions. However, if any provisions, provision, or portion of any provision in this Note is found by a court of competent jurisdiction to be in violation of any applicable local, state or federal ordinance, statute, law, or administrative or judicial decision, or public policy, and if such court would declare such portion, provision or provisions of this Note to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of all parties hereto that such portion, provision or provisions shall be given force and effect to the fullest possible extent they are legal, valid and enforceable, and the remainder of this Note shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were severable and not contained therein, and the rights, obligations and interest of Maker and the holder hereof under the remainder of this Note shall continue in full force and effect.

All terms, conditions and agreements herein are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement of the proceeds hereof, acceleration of maturity of the unpaid principal balance hereof, or otherwise, shall the amount paid or agreed to be paid to the holders hereof for the use, forbearance or detention of the money to be advanced hereunder exceed the highest lawful rate permissible under applicable laws. If, from any circumstances whatsoever, fulfillment of any provision hereof shall involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, and if under any circumstances the holder hereof shall ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to reduction of the unpaid principal balance due hereunder and not to the payment of interest.

This Note shall inure to the benefit of Payee and its successors and assigns and shall be binding upon the undersigned and its successors and assigns. As used herein, the term "Payee" shall mean and include the successors and assigns of the identified payee and the holder or holders of this Note from time to time.

Maker acknowledges and agrees that (i) this Note and the rights and obligations of all parties hereunder shall be governed by and construed under the laws of the State of Illinois; (ii) the obligation evidenced by this Note is an exempted transaction under the Truth-in-Lending Act, 15 U.S.C. § 1601, et seq.; (iii) said obligation constitutes a "business loan" which comes within the purview of Ill. Rev. Stat. ch. 17, ¶ 6404, § 4(1)(c) (1981); and (iv) the proceeds of the loan evidenced by this Note will not be used for the purchase of registered equity securities within the purview of Regulation "G" issued by the Board of Governors of the Federal Reserve System.

The obligations of the Maker of this Note shall be direct and primary, and when the context or construction of the terms of this Note so require, all words used in the singular herein shall be deemed to have been used in the plural and the masculine shall include the feminine and neuter.

This Note is executed by LaSalle National Bank, 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 it is expressly understood and agreed by Payee and by every person now or hereafter holding this Note or claiming any right of security hereunder that nothing herein or in the Mortgage shall be construed as creating any liability on said Trustee personally to pay said Note or any interest that may accrue thereon, or to perform any covenants, either express or implied, herein contained, but nothing in the preceding portions of this paragraph shall limit Payee's right of recovery on this Note, the Mortgage and other Loan Documents against and out of the Real Estate and other collateral thereby conveyed by enforcement of the provisions hereof and of the Mortgage, nor in any way limit or affect the personal liability of any co-signer, endorser or guarantor of this Note and other Loan Documents.

Notwithstanding any other provision contained herein or in the Mortgage, in the event of any default under the terms hereof or of the Mortgage or of any other Loan Document, or upon maturity of this Note, whether by acceleration or the passage of time or otherwise, subject to the limitations expressly set forth below, there shall be no

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personal liability of Maker for the payment of principal or interest or other amounts which may be due and payable on or under the terms of this Note, the Mortgage or other Loan Documents. Payee shall look solely to the Real Estate and any other security granted to Payee under the terms hereof and the other Loan Documents upon foreclosure of the lien of the Mortgage and of the other Loan Documents, and shall not institute, seek, obtain or take any deficiency or monetary judgment against Maker, or against any property of Maker other than the Real Estate, for any amounts unsatisfied after the application of the Real Estate and other security granted to Payee under the terms of the Mortgage and the other Loan Documents, and the proceeds thereof; provided, however, that nothing contained in this paragraph shall in any manner or way release, affect or impair: (a) the existence of the debt evidenced by this Note; (b) the enforceability of the liens and security interests created by the Mortgage and the other Loan Documents; (c) the right of Payee to recover from Maker any funds, damages or costs (including, without limitation, reasonable attorneys' fees) incurred by Payee as a result of fraud or material misrepresentation by or on behalf of Maker; (d) the right of Payee to recover from Maker any condemnation or insurance proceeds which are not utilized in accordance with the terms of the Mortgage and other Loan Documents; (e) the right of Payee to recover from Maker any funds, damages or costs incurred by Payee in connection with the payment of any real estate taxes and special assessments not paid by Maker in accordance with the terms of the Mortgage; provided, however, nothing herein shall be deemed to construe any personal obligation or personal liability on Beneficiary or any of its general partners to pay any real estate taxes or special assessments out of its own funds; (f) the right of Payee after an occurrence of a default or an Event of Default under the Mortgage or any of the other Loan Documents to recover from Maker any rents or other income received by Maker from tenants of the Real Estate from and after said Event of Default; (g) the right of Payee after the occurrence of an Event of Default to recover from Maker any funds, damages or costs incurred by Payee as a result of any material waste caused by Maker that directly results in a material reduction in the value of the Real Estate (this shall not apply to a mere failure of Maker to maintain and repair the Real Estate); (h) the right of Payee to recover from Maker any sums expended by Payee in performance or compliance with all covenants, agreements and provisions of any of the Leases which is so expended by Payee as a result of Maker's neglect or refusal to so perform said obligations or as a result of any act or omission of Maker intended to prevent, or tending to prevent, Payee from recovering any rentals lost by reason of Maker's nonperformance of said obligations, provided, however, that nothing in this subsection (h) shall be deemed or construed to impose any personal liability or obligation upon Beneficiary or any of its general partners to perform any of the obligations using their own funds; (i) the right of Payee after the occurrence of an Event of Default to recover from Maker the full amount of all security deposits, including any interest accrued thereon, held by Maker pursuant to the Leases; and (j) the right of Payee to recover from Maker any funds, damages or costs (including, without limitation, attorneys' fees) incurred by Payee pursuant to an indemnification of Payee or in connection with a violation of the terms of paragraph 6.14 of the Mortgage.

EXECUTED AND DELIVERED at Chicago, Illinois as of the ____ day of April, 1989.

LASALLE NATIONAL BANK, not personally but as Trustee under Trust Agreement dated December 1, 1983 and known as Trust No. 107311

ATTEST: [SEAL]

By:_____
Name:_____
Title:_____

By:_____
Name: _____
Title: _____

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EXHIBIT B

Legal Description

PARCEL 1:

THE NORTH 43 FEET OF LOT 2 IN THE SUBDIVISION OF BLOCK 18 IN CANAL TRUSTEE'S SUBDIVISION OF THE SOUTH FRACTIONAL ¼ OF SECTION 3, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 1 AND 2 IN THE SUBDIVISION OF LOT 1 IN THE SUBDIVISION OF BLOCK 18 IN CANAL TRUSTEE'S SUBDIVISION OF THE SOUTH FRACTIONAL ¼ OF SECTION 3, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOT 3 IN THE SUBDIVISION OF LOT 1 IN THE SUBDIVISION OF BLOCK 18 IN CANAL TRUSTEE'S SUBDIVISION OF THE SOUTH FRACTIONAL ¼ OF SECTION 3, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

LOT 4 IN THE SUBDIVISION OF LOT 1 IN THE SUBDIVISION OF BLOCK 18 IN CANAL TRUSTEE'S SUBDIVISION OF THE SOUTH FRACTIONAL ¼ OF SECTION 3, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Tax Number:	17-03-223-001 17-03-223-006 17-03-223-007 17-03-203-008
Common Address:	1-19 East Chestnut Street Chicago, Illinois

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EXHIBIT C

Permitted Exceptions

1. Real property taxes for the second installment of 1988 and 1989 not yet due and payable;

2. Mortgage, Assignment of Rents and Security Agreement dated April 13, 1989 and recorded April ___, 1989 as Document No. _____ securing an indebtedness of $5,500,000.00 made by LaSalle National Bank, as trustee under Trust Agreement dated December 1, 1983 and known as Trust No. 107311 and Chestnut Galleria Limited Partnership to Confederation Life Insurance Company, a Canadian mutual insurance company.

3. Assignment of Leases, Rents and Profits dated April 13, 1989 and recorded April _____, 1989 as Document No. _____ securing an indebtedness of $5,500,000.00 made by LaSalle National Bank, as trustee under Trust Agreement dated December 1, 1983 and known as Trust No. 107311 and Chestnut Galleria Limited Partnership to Confederation Life Insurance Company, a Canadian mutual insurance company.

4. Agreement made by Louis Biegler with Henry Keilman dated April 8, 1890 and recorded April 4, 1890 as document 1247034 for a party wall between the North 43 feet and South 17 feet of Lot 2 aforesaid;

(Affects Parcel 1)

5. Agreement made by P. Louis with Walter A. Holbrook recorded December 24, 1895 as Document 2324257 relating to a court in premises described as Lot 1 in block 18 aforesaid for light and air buildings on premises adjoining on the West.

(Affects Parcel 2)

6. Encroachments as described below disclosed by survey of National Survey Services, Inc., last revised March 24, 1989, Order No. N-114165:

(a) Bay windows at the second, third and fourth floor of te Buildings on Parcels 1 an 2 of the land over the north line by varying distances of up to 4.15 feet.

(b) Eaves, brick face and stone trim of the buildings parcels 1, 2, 3 and 4 of the land over the north line by varying distances of up to 1.28 feet.

(c) Metal handrails around the entrance to the building on parcel 1 of the land over the north line by 14.70 feet.

(d) Metal and glass entrance to the building of parcel 1 of the land over the north line by 9.38 feet.

(e) Concrete stoops and cloth canopy attached to the building on Parcel 1 of the land over the north line by approximately 15.6 feet.

(f) Two concrete stoop attached to the building on Parcel 2 of the land over the north line by 10.73 feet.

(g) Two concrete stoops attached to the building on Parcel 4 of the land over the north line by approximately 6.9 feet and by 10.90 feet respectively.

(h) Brick face and window sills of the building on Parcel 4 of the land over the east line by varying distances up to approximately 1.0 feet.

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(i) Two chimneys above the second floor of the building on Parcel 4 of the land over the east line by approximately 2.0 feet.

(j) Concrete block of the concrete block addition to the building on Parcel 2 of the land over the south line by 0.06 feet at grade.

(k) Face of concrete block of concrete block addition to the building on Parcel 2 of the land over the south line by 0.13 feet at roof.

(l) Face of coping of concrete block addition to the building on parcel 2 of the land over the south line by 0.23 feet.

(m) Brick face of the building on Parcel 2 of the land over its west line by varying distances up to 0.21 feet.

(n) Face of brick building on Parcel 1 of the land over the south line by varying distances up to 0.63 feet.

(o) Face of coping of building on Parcel 1 of the land over the south line by 0.75 feet at roof at the southwest corner of the building.

(p) Bay windows at the second, third and fourth floors of the building on parcel 1 over the west line by varying distances up to 4.09 feet.

(q) Stone base of the building on Parcel 1 of the land over the west line by 0.06 feet at the southwest corner of the building.

(r) Northwest corner of the building on Parcel 1 of the land over the west line by 0.09 feet.

DEPT-01 $33.50
T#1111 TRAN 0294 04/17/89 10:06:00
#6619 # A *-89-167868
COOK COUNTY RECORDER

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