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(a) All of the real estate (herein called the "Real Estate") described in Exhibit A attached hereto and made a part hereof;

That to secure the payment of the principal of and interest and premium, if any, on the Note according to its tenor and effect and to secure the performance and observance of all the covenants, provisions and agreements herein and in the Note contained (whether or not the Mortgagor is personally liable for such payment, performance and observance) and in consideration of the premises and Ten Dollars (\$10.00) in hand paid by the Mortgagor to the Mortgagor, and for other good and valuable considerations, the receipt and sufficiency of all of which is hereby acknowledged by the Mortgagor, the Mortgagor does hereby GRANT, RELEASE, REMISE, ALIEN, MORTGAGE and CONVEY unto the Mortgagee all and sundry rights, interests and property hereinafter described (all herein together called the "Premises"):

NOW, THEREFORE, THIS MORTGAGE WITNESSETH:

WHEREAS, the indebtedness evidenced by the Note, including the principal thereof and interest and premium, if any, thereon, and any extensions and renewals thereof, in whole or in part, and any and all other sums which may be at any time due or owing or required to be paid as herein or in the Note provided, are herein called the "Indebtedness hereby Secured"

WHEREAS, the Mortgagor has, concurrently herewith, executed and delivered to the Mortgagee, the Mortgagor's Mortgage Note (herein called the "Note") dated the date hereof, in the principal sum of TWO MILLION THREE HUNDRED NINETY-FIVE THOUSAND AND NO/100 DOLLARS (\$2,395,000.00) bearing interest at the rate specified therein, due in the manner as provided therein and in any event on the date specified therein payable to the order of the Mortgagee, the terms and provisions of which Note are incorporated herein and made a part hereof by this reference with the same effect as if set forth at length; and

WHEREAS, the Mortgagor has, concurrently herewith, executed and delivered to the Mortgagee, the Mortgagor's Mortgage Note (herein called the "Note") dated the date hereof, in the principal sum of TWO MILLION THREE HUNDRED NINETY-FIVE THOUSAND AND NO/100 DOLLARS (\$2,395,000.00) bearing interest at the rate specified therein, due in the manner as provided therein and in any event on the date specified therein payable to the order of the Mortgagee, the terms and provisions of which Note are incorporated herein and made a part hereof by this reference with the same effect as if set forth at length; and

\$412.00

* NBD TRUST COMPANY OF ILLINOIS, SUCCESSOR TRUSTEE TO THE NBD TRUST COMPANY

MORTGAGE AND SECURITY AGREEMENT

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(h) All right, title and interest of Mortgagee now owned or hereafter acquired in and to (i) any land or vaults lying within the right-of-way of any street or alley, open or proposed, adjoining the Real Estate; (ii) any and all alleys, sidewalks, strips and gores of land adjacent to or used in connection with the Real Estate and improvements; (iii) any and all rights and interests of every name or nature forming part of or used in connection with the Real Estate and/or the operation and maintenance of the improvements; (iv) all easements, rights-of-way and rights used in connection with the Real Estate or improvements or as a means of access thereto; and (v) all water rights and shares of stock evidencing the same;

(g) Any interests, estates or other claims, both in law and in equity, which Mortgagee now has or may hereafter acquire in the Real Estate and improvements or other rights, interests or properties comprising the premises now owned or hereafter acquired;

(f) All right, title and interest of Mortgagee in and to all options to purchase or lease the Real Estate or improvements or any portion thereof or interest therein, or any other rights, interests or greater estates in the rights and properties comprising the premises, now owned or hereafter acquired by Mortgagee;

(e) All rents, issues, profits, royalties, income, avals, and other benefits now or hereafter derived from the Real Estate and improvements, under leases or otherwise (all herein generally called "Rents"), subject to the right, power and authority given to the Mortgagee in the Assignment hereinafter referred to, to collect and apply the rents;

(d) All leasehold estates, right, title and interest of Mortgagee in any and all leases, subleases, arrangements or agreements relating to the use and occupancy of the Real Estate and improvements or any portion thereof, now or hereafter existing or entered into (all herein generally called "Leases"), together with all cash or security deposits, advance rentals and other deposits or payments of similar nature given in connection with any leases;

(c) All privileges, reservations, allowances, hereditaments, tenements and appurtenances now or hereafter belonging or pertaining to the Real Estate or improvements;

(b) All buildings and other improvements now or at any time hereafter constructed or erected upon or located at the Real Estate, together with and including, but not limited to, all fixtures, equipment, machinery, appliances and other articles and attachments now or hereafter forming part of, attached to or incorporated in any such building or improvements (all herein generally called the "Improvements");

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- (i) All right, title and interest of Mortgagor in and to all tangible personal property (herein called "Personal Property"), owned by Mortgagor and now or at any time hereafter located in, on or at the Real Estate or Improvements or used or useful in connection therewith, including, but not limited to:
- (1) all furniture, furnishings and equipment furnished by Mortgagor to tenants of the Real Estate or Improvements;
- (ii) all building materials and equipment located upon the Real Estate and intended to be incorporated in the Improvements now or hereafter to be constructed thereon, whether or not yet incorporated in such Improvements;
- (iii) all machines, machinery, fixtures, apparatus, equipment or articles used in supplying heating, gas, electricity, air-conditioning, water, light, power, sprinkler protection, waste removal, refrigeration and ventilation, and all fire sprinklers, alarm systems, electronic monitoring equipment and devices;
- (iv) all window or structural cleaning rigs, maintenance equipment relating to exclusion of vermin or insects and removal of dust, refuse or garbage;
- (v) all lobby and other indoor and outdoor furniture, including tables, chairs, planters, desks, sofas, shelves, lockers and cabinets, wall beds, wall safes, and other furnishings;
- (vi) all rugs, carpets and other floor coverings, 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, including refrigerators, ovens, dishwashers, range hoods and exhaust systems and disposal units;
- (xi) all laundry equipment, including washers and dryers;

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(b) Performance and observance by Mortgagor of all of the terms, provisions, covenants and agreements on Mortgagor's part to be performed and observed under the Assignment referred to in Section 25 hereof;

(a) Payment of the indebtedness with interest thereon evidenced by the Note and any and all modifications, extensions and renewals thereof, and all other indebtedness hereby Secured;

FOR THE PURPOSE OF SECURING:

TO HAVE AND TO HOLD all and sundry the Premises hereby mortgaged and conveyed or intended so to be, together with the rents, issues and profits thereof, unto the Mortgagee forever, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois (which rights and benefits are hereby expressly released and waived), for the uses and purposes herein set forth, together with all right to retain possession of the Premises after any default in the payment of all or any part of the Indebtedness Hereby Secured, or the breach of any covenant or agreement herein contained, or upon the occurrence of any event of Default as hereinafter defined.

(i) All the estate, interest, right, title or other claim or demand which Mortgagor now has or may hereafter have or acquire with respect to (1) the proceeds of insurance in effect with respect to the Premises and (ii) any and all awards, claims for damages and other compensation made for or consequent upon the taking by condemnation, eminent domain or any like proceeding, or by any proceeding, or purchase in lieu thereof, of the whole or any part of the Premises, including, without limitation, any awards and compensation resulting from a change of grade of streets and awards and compensation for severance damages (all herein generally called "Awards").

provided that the enumeration of any specific articles of Personal Property set forth above shall in no way exclude or be held to exclude any items of property not specifically enumerated; but provided that there shall be excluded from and not included within the term "Personal Property" as used herein and hereby mortgaged and conveyed, any equipment, trade fixtures, furniture, furnishings or other property of tenants of the Premises;

(xiii) all maintenance supplies and inventories;

(xii) all tractors, mowers, sweepers, snow removal equipment and other equipment used in maintenance of exterior portions of the Real Estate; and

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(d) complete, within a reasonable time, any Improvements now or at any time in the process of erection upon the Premises;

(c) pay, when due, any indebtedness which may be secured by a lien or charge on the Premises on a parity with or superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such lien to the Mortgagee;

(b) keep the Premises in good condition and repair, without waste, and free from mechanics' liens, materialmen's or like liens or claims or other liens or claims for lien not expressly subordinated to the lien hereof;

(a) promptly repair, restore or rebuild any Improvements now or hereafter on the Premises which may become damaged or be destroyed whether or not proceeds of insurance are available or sufficient for the purpose.

2. Maintenance, Repair, Restoration, Prior Liens, Parking. The Mortgagee will:

1. Payment of Indebtedness. The Mortgagee will duly and promptly pay each and every installment of the principal of and interest and premium, if any, on the Note, and all other indebtedness Hereby Secured, as the same become due, and will duly perform and observe all of the covenants, agreements and provisions herein or in the Note provided on the part of the Mortgagee to be performed and observed.

AND IT IS FURTHER AGREED THAT:

PROVIDED, NEVERTHELESS, and these presents are upon the express condition that if all of the indebtedness Hereby Secured shall be duly and punctually paid and all the terms, provisions, conditions and agreements herein contained on the part of the Mortgagee to be performed or observed shall be strictly performed and observed, then this Mortgage and the estate, right and interest of the Mortgagee in the Premises shall cease and become void and of no effect.

(d) Performance by any Guarantor of its obligations under any guaranty or other instrument given to further secure the payment of the Indebtedness Hereby Secured or the performance of any obligation secured hereby.

(c) Performance and observance by Mortgagee of all of the terms, provisions, covenants and agreements on Mortgagee's part to be performed or observed under the Loan Papers (as defined in the Note) of even date herewith, entered into by and between Mortgagee and Mortgagee and/or Mortgagee's beneficiary; and

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3. Taxes. The Mortgagor will pay when due and before any penalty attached, all general and special taxes, assessments, water charges, sewer charges, and other fees, taxes, charges and assessments of every kind and nature whatsoever (all herein generally called "Taxes"), whether or not assessed against the Mortgagor, if applicable to the Premises or any interest therein, or the indebtedness hereby Secured, or any obligation or agreement secured hereby; and Mortgagor will, upon written request, furnish to the Mortgagor duplicate receipts therefore, provided that the Mortgagor may contest the amount or propriety of any Taxes in accordance with the provisions of Section 29 hereof; provided that (a) in the event that any law or court decree has the effect of deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon the Mortgagor the payment in whole or any part of the Taxes or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or in the interest of the Mortgagor in the Premises or the manner of collection of Taxes, so as to affect this Mortgage or the indebtedness hereby Secured or the holder thereof, then, and in any such event, the Mortgagor upon demand by the Mortgagor, will pay such Taxes, or reimburse the Mortgagor therefore and (b) nothing in this Section 3 contained shall require the Mortgagor to pay any income, franchise or excise tax imposed upon the Mortgagor, excepting only such which may be levied against such income expressly as and for a specific substitute for Taxes on the Premises, and then only in an amount computed as if the Mortgagor

(j) provide, improve, grade, surface and thereafter maintain, clean, repair, police and adequately light parking areas within the Premises of sufficient size to accommodate not less than all standard-size American-made automobiles as may be required by law, ordinance or regulation, together with any sidewalks, aisles, streets, driveways and sidewalks cuts and sufficient paved areas for ingress, egress and right-of-way to and from the adjacent public thoroughfares necessary or desirable for the use thereof.

(i) initiate or acquiesce in no zoning reclassification with respect to the Premises, without the Mortgagor's prior written consent; and

(h) pay when due all operating costs of the Premises;

(g) suffer or permit no change in the general nature of the occupancy of the Premises without the Mortgagor's prior written consent;

(f) make no material alterations in the Premises, except as required by law or municipal ordinance;

(e) comply with all requirements of law, municipal ordinances or restrictions and covenants of record with respect to the Premises and the use thereof;

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derived no income from any source other than its interest hereun-

4. Insurance coverage. The mortgagor will insure and keep insured the premises and each and every part and parcel thereof against such perils and hazards as the mortgagee may from time to time require, and in any event including:

(a) Insurance against loss to the improvements caused by fire, lightning and risks covered by the so-called "all perils" endorsement and such other risks as the mortgagee may reasonably require, in amounts (but in no event less than the initial stated principal amount of the note) equal to the full replacement value of the improvements, plus the cost of debris removal, with full replacement cost endorsement.

(b) Comprehensive general public liability insurance against bodily injury and property damage in anyway arising in connection with the premises with such limits as the mortgagee may reasonably require and in any event not less than \$2,000,000.00 single limit coverage;

(c) During the making of any alterations or improvements to the premises (i) insurance covering claims based on the owner's contingent liability not covered by the insurance provided in subsection (b) above; (ii) workmen's compensation insurance covering all persons engaged in making such alterations or improvements; and (iii) builder's risk insurance complete form;

(d) Federal flood insurance in the maximum obtainable amount up to the amount of the indebtedness hereby secured evidenced by the note, if the premises is in a "flood plain area" as defined by the Federal Insurance Administration pursuant to the Federal Flood Disaster Protection Act of 1973, as amended;

(e) If any part of the premises is now or hereafter used for the sale or dispensing of beer, wine, spirits or any other alcoholic beverages, so-called "Draughtshop" or "Innkeeper's liability" insurance against claims or liability arising directly or indirectly to persons or property on account of such sale or dispensing of beer, wine, spirits or other alcoholic beverages, including in such coverage loss of means of support, all in amounts as may be required by law or as the mortgagee may specify, but in no event less than \$2,000,000.00 single limit coverage.

5. Insurance policies. All policies of insurance to be maintained and provided as required by Section 4 hereof shall

(a) be in forms, companies having a Best Insurance Guide rating of A+ or A and are licensed to transact busi-

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provided that the amount of such deposits (herein gener- ally called "Tax and Insurance Deposits") shall be based

deposit; policy were last paid to and including the date of of months elapsed between the date premiums on each such annual insurance premiums multiplied by the number ed in addition, an amount equal to one-twelfth (1/12) of that with the first such deposit there shall be deposit- each policy of insurance upon the Premises; provided (ii) One-twelfth (1/12) of the annual premiums on

as they come due; plus there will be sufficient funds on deposit to pay Taxes herein, shall assure to Mortgagee's satisfaction that monthly deposits to be made thereafter as provided for an amount as estimated by Mortgagee which, when added to first such deposit, there shall be deposited in addition due upon the Premises; provided that, in the case of the (i) One-twelfth (1/12) of the Taxes next to become

cured, an amount equal to: interest shall become due on the Indebtedness Hereby Se date the first payment of interest and/or principal and the first day of each and every month, commencing with the (a) The Mortgagee shall deposit with the Mortgagee on

able: to the Premises as and when the same shall become due and pay- 6. Deposits for Taxes and Insurance Premiums. In order to assure the payment of Taxes and Insurance premiums payable with respect

dates of expiration. Mortgagee will deliver all policies, and including addition- all and renewal policies to Mortgagee, and in case of insurance policies about to expire, the Mortgagee will deliver renewal policies not less than thirty (30) days prior to the respective

of cancellation or material modification to Mortgagee. (d) provide for thirty (30) days' prior written notice

gor from becoming a coinsurer; and (c) be written in amounts sufficient to prevent Mortga-

ability of such policies as against Mortgagee; terms of the policies will affect the validity or enforce Premises for purposes more hazardous than permitted by the the insured or any occupant and no occupancy or use of the (b) contain endorsements that no act or negligence of

endorsements in favor of and with loss payable to Mortgagee; insurance shall have attached thereto mortgage clauses or satisfactory to Mortgagee, and all policies of casualty ness in the State of Illinois and amounts reasonably

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upon Mortgagee's reasonable estimate as to the amount of Taxes and premiums of insurance next to be payable; and all Tax and Insurance Deposits shall be held by the Mortgagee without any allowance of interest thereon.

(b) The aggregate of the monthly Tax and Insurance Deposits, together with monthly payments of interest and/or principal and interest payable on the Note shall be paid in a single payment each month, to be applied to the following items in the order stated:

- (1) Taxes and insurance premiums;
 - (ii) Indebtedness Hereby Secured other than principal and interest on the Note;
 - (iii) Interest on the Note; and
 - (iv) The principal of the Note.
- (c) The Mortgagee will, out of the Tax and Insurance Deposits, upon the presentation to the Mortgagee by the Mortgagee of the bills therefor, pay the insurance premiums and Taxes or will, upon presentation of receipts made by the Mortgagee, reimburse the Mortgagee for such payments made by the Mortgagee. If the total Tax and Insurance Deposits on hand shall be not be sufficient to pay all of the Taxes and Insurance premiums when the same shall become due, then the Mortgagee shall pay to the Mortgagee on demand any amount necessary to make up the deficiency. If the total of such Deposits exceed the amount required to pay the Taxes and Insurance premiums, such excess shall be credited on subsequent payments to be made for such items.
- (d) In the event of a default in any of the provisions contained in this Mortgage or in the Note, the Mortgagee may, at its option, without being required so to do, apply any Tax and Insurance Deposits on hand on any of the Indebtedness Hereby Secured, in such order and manner as the Mortgagee may elect. When the Indebtedness Hereby Secured has been fully paid, then any remaining Tax and Insurance Deposits shall be paid to the Mortgagee. All Tax and Insurance Deposits are hereby pledged as additional security for the Indebtedness Hereby Secured, and shall be held in trust to be irrevocably applied for the purposes for which made as herein provided, and shall not be subject to the direction or control of the Mortgagee.
- (e) Notwithstanding anything to the contrary herein contained, the Mortgagee shall not be liable for any failure to apply to the payment of Taxes and insurance premiums any amounts deposited as Tax and Insurance Deposits unless the Mortgagee, while no default exists hereunder and within a reasonable time prior to the due date, shall have requested

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(c) If in the reasonable judgment of Mortgagee the Premises cannot be restored to an architectural and economic unit as provided for in Subsection (b) above, then at any

provided for in Section 9 hereof;
Premises or any part thereof subject to insured casualty, as
ing or rebuilding (herein generally called "Restoring") the
the Mortgagee for the cost of restoring, repairing, replac-
ing, the proceeds of insurance shall be applied to reimburse
hereinafter defined shall have occurred and be then continu-
liability to the insured, then, if no event of Default as
Indebtedness Hereby Secured and the Insurers do not deny
and adequately securing the outstanding balance of the
valuable than the same was prior to the insured casualty,
tural and economic unit of the same character and not less
the Mortgagee, the Premises can be restored to an architec-
"Insured Casualty") and if, in the reasonable judgment of
tion of the Premises or any part thereof (herein called an
(b) In the event of any insured damage to or destruc-

Mortgagee upon demand;
Indebtedness Hereby Secured, and shall be reimbursed to the
collection of insurance proceeds shall be so much additional
expenses incurred by the Mortgagee in the adjustment and
collect and receipt for any such insurance proceeds; and the
case the Mortgagee shall, and is hereby authorized to,
sand Dollars (\$5,000.00) and provided further that in any
itself adjust losses aggregating not in excess of Five Thou
to be paid upon the loss; provided that the Mortgagee may
agree with the insurance company or companies on the amount
the consent of the Mortgagee, or (ii) allow the Mortgagee to
to settle and adjust any claim under such policies without
case may be) is hereby authorized at its option either (i)
purchase at the foreclosure sale or decree creditor, as the
the Mortgagee (or, after entry of decree of foreclosure, the
(a) In case of loss covered by policies of insurance,

and,
7. Proceeds of Insurance. The Mortgagee will give the Mortgagee
prompt notice of any damage to or destruction of the Premises,

Papers.
or any of the terms and provisions of this Mortgage and the Loan
the Premises; and (ii) Mortgagee is not in default under the Note
payment in full of all general and special taxes assessed against
Mortgagee no less than 15 days prior to its due date, evidence of
deposits required hereby provided that (i) Mortgagee delivers to
Mortgagee shall not be required to make the tax and insurance
Notwithstanding the foregoing provisions of this paragraph 6,

made, accompanied by the bills therefore.
ance premiums for the payment of which such Deposits were
its on hand to the payment of the particular Taxes or insur-
the Mortgagee in writing to make application of such Depos-

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(b) If in the reasonable judgment of the Mortgagee the Premises can be restored to an architectural and economic unit of the same character and not less valuable than the Premises prior to such Taking and adequately securing the outstanding balance of the Indebtedness Hereby Secured, then in the event of Default, as hereinafter defined, shall have occurred and be then continuing, the Award shall be applied to reimburse Mortgagee for the cost of Restoring the portion of the Premises remaining after such Taking, as provided for in Section 9 hereof;

(a) Mortgagee hereby assigns, transfers and sets over unto Mortgagee the entire proceeds of any Award consequent upon any Taking;

8. Condemnation. The Mortgagee will give Mortgagee prompt notice of any proceedings, instituted or threatened, seeking condemnation or taking by eminent domain or any like process (herein generally called a "Taking"), of all or any part of the Premises, including damages to grade; and,

(g) No interest shall be payable by Mortgagee on account of any insurance proceeds at anytime held by Mortgagee.

(f) Any portion of the insurance proceeds remaining after payment in full of the Indebtedness Hereby Secured shall be paid to Mortgagee or as ordered by a court of competent jurisdiction;

(e) In the event that proceeds of insurance, if any, shall be made available to the Mortgagee for the Restoring of the Premises, Mortgagee hereby covenants to Restore the same to be of at least equal value and of substantially the same character as prior to such damage or destruction; all to be effected in accordance with plans and specifications to be first submitted to and approved by the Mortgagee;

(d) Except as provided for in Subsection (b) of this Section 7, Mortgagee shall apply the proceeds of insurance (including amounts not required for restoring effected in accordance with Subsection (b) above) consequent upon any insured casualty upon the Indebtedness Hereby Secured, in such order or manner as the Mortgagee may elect; provided that no premium or penalty shall be payable in connection with any prepayment of the Indebtedness Hereby Secured made out of insurance proceeds as aforesaid;

time from and after the Insured Casualty, upon thirty (30) days' written notice to Mortgagee, Mortgagee may declare the entire balance of the Indebtedness Hereby Secured to be, and at the expiration of such thirty (30) day period the Indebtedness Hereby Secured shall be and become immediately due and payable;

(c) If in the reasonable judgment of Mortgagee the Premises cannot be restored to an architectural and economic unit as provided for in Subsection (b) above, then at any time from and after the Taking, upon thirty (30) days' written notice to Mortgagor, Mortgagee may declare the entire balance of the Indebtedness Hereby Secured to be, and at the expiration of such thirty (30) day period the Indebtedness Hereby Secured shall be and become immediately due and payable;

(d) Except as provided for in Subsection (b) of this Section 8, Mortgagee shall apply any Award (including the amount not required for Restoration effected in accordance with Subsection (b) above) upon the Indebtedness Hereby Secured in such order or manner as Mortgagee may elect; provided that no premium or penalty shall be payable in connection with any prepayment of the Indebtedness Hereby Secured made out of any Award as aforesaid;

(e) In the event that any Award shall be made available to the Mortgagor for Restoring the portion of the Premises remaining after a Taking, Mortgagor hereby covenants to Restore the remaining portion of the Premises to be of at least equal value and of substantially the same character as prior to such Taking, all to be effected in accordance with plans and specifications to be first submitted to and approved by Mortgagee;

(f) Any portion of any Award remaining after payment in full of the Indebtedness Hereby Secured shall be paid to Mortgagor or as ordered by a court of competent jurisdiction;

(g) No interest shall be payable by Mortgagee on account of any Award at any time held by Mortgagee.

9. Disbursement of Insurance Proceeds and Condemnation Awards. In the event the Mortgagor is entitled to reimbursement out of insurance proceeds or any Award held by the Mortgagee, such proceeds shall be disbursed from time to time upon the Mortgagee being furnished with satisfactory evidence of the estimated cost of completion of the Restoring, with funds (or assurances satisfactory to the Mortgagee that such funds are available) sufficient in addition to the proceeds of insurance or Award, to complete the proposed Restoring, and with such architect's certificate, waivers of lien, contractor's sworn statements and such other evidence of cost and of payment as the Mortgagee may reasonably require and approve; and the Mortgagee may, in any event, require that all plans and specifications for such Restoring be submitted to and approved by the Mortgagee prior to commencement of work. No payment made prior to the final completion of the Restoring shall exceed ninety percent (90%) of the value of the work performed from time to time; funds other than proceeds of

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insurance or the Award shall be disbursed prior to disbursement of such proceeds; and at all times the undisbursed balance of such proceeds remaining in the hands of the Mortgagee, together with funds deposited for the purpose or irrevocably committed to the satisfaction of the Mortgagee by or on behalf of the Mortgagor for the purpose, shall be at least sufficient in the reasonable judgment of the Mortgagee to pay for the cost of completion of the Restoring, free and clear of all liens or claims for lien.

10. Stamp Tax. If, by the laws of the United States of America, or of any state having jurisdiction over the Mortgagor, any tax is due or becomes due in respect of the issuance of the Note, the Mortgagor shall pay such tax in the manner required by such law.

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

12. Effect of Extensions of Time, Amendments on Junior Liens and Others. If the payment of the Indebtedness Hereby Secured, or any part thereof, be extended or varied, or if any part of the security be released, all persons now or at any time hereafter liable therefore, or interested in the Premises, shall be held to assent to such extension, variation or release, and their liability, if any, and the lien, and all provisions hereof, shall continue in full force and effect; the right of recourse against all such persons being expressly reserved by the Mortgagee, notwithstanding any such extensions, variation or release. Any person, firm or corporation taking a junior mortgage or other lien upon the Premises or any interest therein, shall take the said lien subject to the rights of the Mortgagee herein to amend, modify and supplement this Mortgage, the Note, and the Assignment hereinafter referred to, and to vary the rate of interest and the method of computing the same, and to impose additional fees and other charges, and to extend the maturity of the Indebtedness Hereby Secured, in each and every case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien. Nothing in this Section contained shall be construed as waiving any provision of Section 17 hereof which provides, among other things, that it shall constitute as Event of Default if the Premises be sold, conveyed or encumbered.

13. Effect of Changes in Tax Laws. In the event of the enactment after the date hereof by any legislative authority having jurisdiction of the Premises of any law deducting from the value of land for the purposes of taxation, any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by the Mortgagor, or changing in any way the laws relating to the taxation of mortgage or debts secured by mortgages or the

Mortgagee's interest in the Premises, or the method of collecting taxes, so as to affect this Mortgage or the Indebtedness Hereby Secured, or the holder thereof, then, and in any such event, the Mortgagor, upon demand by the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee therefore; provided that if in the opinion of counsel for the Mortgagee the payment by Mortgagor of any such taxes or assessments shall be unlawful, then the Mortgagee may, by notice to the Mortgagor, declare the entire principal balance of the Indebtedness Hereby Secured to be due and payable on a date specified in such notice not less than 180 days after the date of such notice, and the Indebtedness Hereby Secured shall then be due and payable without premium or penalty on the date so specified in such notice.

14. Mortgagee's Performance of Mortgagor's Obligations. In case of default therein, the Mortgagee either before or after acceleration of the Indebtedness Hereby Secured or the foreclosure of the lien hereof and during the period of redemption, if any, may, but shall not be required to, make any payment or perform any act herein which is required of the Mortgagor (whether or not the Mortgagor is personally liable therefore) in any form and manner deemed expedient to the Mortgagee; and the Mortgagee may, but shall not be required to make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the premises, or contest any tax or assessment, and may, but shall not be required to, complete construction, furnishing and equipping of the Improvements upon the Premises and rent, operate and manage the Premises and such Improvements and pay operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Premises and Improvements shall be operational and usable for their intended purposes. All monies paid for any of the purposes herein authorized, and all expenses paid or incurred in connection therewith, including attorney's fees and any other monies advanced by the Mortgagee to protect the Premises and the lien hereof, or to complete construction, furnishing and equipping or to rent, operate and manage the Premises and such Improvements or to pay any such operating costs and expenses thereof or to keep the Premises and Improvements operational and usable for their intended purposes, shall be so much additional Indebtedness Hereby Secured, whether or not they exceed the amount of the Note, and shall become immediately due and payable without notice, and with interest thereon at the default rate specified in the Note (herein called the "Default Rate"). Inaction of the Mortgagee shall never be considered a waiver of any right accruing to it on account of any default on the part of the Mortgagor. The Mortgagee, in making any payment hereby authorized (a) relating to taxes and assessments, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (b) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or

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amount of any claim for lien which may be asserted; or (c) in connection with the completion of construction, furnishing or equipping of the Improvements or the Premises or the rental, operation or management of the Premises or the payment of operating costs and expenses thereof, Mortgagee may do so in such amounts and to such persons as Mortgagee may deem appropriate and may enter into such contracts therefore as Mortgagee may deem appropriate or may perform the same itself.

15. **Inspection of Premises.** The Mortgagee shall have the right to inspect the Premises at all reasonable times, and access thereto shall be permitted for that purpose.

16. **Financial Statements.** The Mortgagor will, within ninety (90) days after the end of each fiscal year of the beneficiary of Mortgagor furnish to the Mortgagee at the place where interest thereon is then payable, the personal financial statement of the beneficiary of Mortgagor, currently dated, and financial and operating statements of the Premises for such fiscal year, all in reasonable detail and in any event including a balance sheet and income statement and such itemized statements of receipts and disbursements as shall enable Mortgagee to determine whether any default exists hereunder or under the Note. Such financial and operating statements shall be prepared and certified at the expense of Mortgagor in such manner as may be acceptable to the Mortgagee, and the Mortgagee may, by notice in writing to the Mortgagor, require that the same be prepared and certified, pursuant to audit, by a firm of independent certified public accountants satisfactory to Mortgagee, in which case such accountants shall state whether or not, in their opinion, any default or Event of Default exists hereunder or under the Note. If the statements furnished shall not be prepared in accordance with generally accepted accounting principals consistently applied, or if Mortgagor fails to furnish the same when due, Mortgagee may audit or cause to be audited the books of the Premises and/or the Mortgagor and beneficiary of Mortgagor, at Mortgagor's expense, and the costs of such audit shall be so much additional Indebtedness Hereby Secured bearing interest at the Default Rate until paid, and payable upon demand.

17. **Restrictions on Transfer.** It shall be an immediate Event of Default and default hereunder if, without the prior written consent of the Mortgagee, any of the following shall occur, and in any event Mortgagee may condition its consent upon such increase in rate of interest payable upon the Indebtedness Hereby Secured, change in monthly payments thereon, change in maturity thereof and/or the payment of a fee, all as Mortgagee may in its sole discretion require:

(a) If the Mortgagor shall create, effect, contract for, commit to or consent to or shall suffer or permit any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of the Premises or any part thereof, or interest therein,

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excepting only sales or other disposition of Collateral as defined in Section 18 (herein called "Obsolete Collateral") no longer useful in connection with the operation of the Premises, provided that prior to the sale or other disposition thereof, such Obsolete Collateral has been replaced by Collateral, subject to the first and prior lien hereof, of at least equal value and utility;

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

(c) If the Mortgagor is a corporation, or if any corporation is a beneficiary of a trustee mortgagor, then if any shareholder of such corporation shall create, effect contract for, commit to or consent to or shall suffer or permit any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of any such shareholder's shares in such corporation; provided that if such corporation is a corporation whose stock is publicly traded on a national securities exchange or on the "Over The Counter" market, then this Section 17(c) shall be inapplicable;

(d) If the Mortgagor is a partnership or joint venture, or if any beneficiary of a trustee Mortgagor is a partnership or joint venture, then if any general partner or joint venturer in such partnership or joint venture shall create, effect or consent to or shall suffer or permit any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of any partnership interest or joint venture interest, as the case may be, of such partner or joint venturer; or

(e) If there shall be any change in control (by way of transfers of stock ownership, partnership interest or other wise) in any general partner which directly or indirectly controls or is a general partner of a partnership or joint venture beneficiary as described in Subsection 17(d) above;

in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided that the foregoing provisions of this Section 17 shall not apply (i) to liens securing the Indebtedness Hereby Secured, (ii) to the lien of current taxes and assessments not in default of (iii) to any transfers of the Premises, or part thereof, or interest therein, or any beneficial interests, or shares of stock or partnership or joint venture interests as the case may be, in the Mortgagor or any beneficiary of a Trustee Mortgagor by or on

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behalf of an owner thereof who is deceased or declared judicially incompetent, to such owner's heirs, legatees, devisees, executors, administrators, estate, personal representatives and/or committee. The provisions of this Section 17 shall be operative with respect to, and shall be binding upon, any persons who, in accordance with the terms hereof or otherwise, shall acquire any part of or interest in or encumbrance upon the Premises, or such beneficial interest in, share of stock of or partnership or joint venture interest in the Mortgagor or any beneficiary of a Trustee Mortgagor.

18. **Uniform Commercial Code.** This Mortgage constitutes a Security Agreement under the Uniform Commercial Code of the State in which the Premises is located (herein called the "Code") with respect to any part of the Premises which may or might now or hereafter be or be deemed to be personal property, fixtures or property other than real estate (all herein called "Collateral"); all of the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Premises; and the following provisions of this Section 18 shall not limit the generality or applicability of any other provisions of this Mortgage but shall be in addition thereto:

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

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

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

(d) The only persons having any interest in the Premises are the Mortgagor and Mortgagee.

(e) No Financing Statement covering any of the Collateral or any proceeds thereof is on file in any public office except pursuant hereto; and Mortgagor will at its own cost and expense, upon demand, furnish to the Mortgagee such further information and will execute and deliver to the Mortgagee such financing statements and other documents in form satisfactory to the Mortgagee and will do all such acts and things as the Mortgagee may at any time or from time to time reasonably request or as may be necessary or appropri-

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ate to establish and maintain a perfected security interest in the Collateral as security for the Indebtedness Hereby Secured, subject to no adverse liens or encumbrances, and the Mortgagor will pay the cost of filing the same or filing or recording such financing statements or other documents, and this instrument, in all public offices wherever filing or recording is deemed by the Mortgagee to be necessary or desirable.

(f) Upon any default or Event of Default hereunder (regardless of whether the Code has been enacted in the jurisdiction where rights or remedies are asserted) and at any time thereafter (such default not having previously been cured), the Mortgagee at its option may declare the Indebtedness Hereby Secured immediately due and payable, all as more fully set forth in Section 19 hereof, and thereupon Mortgagee shall have the remedies of a secured party under the Code, including without limitation the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as the Mortgagor can give authority therefore, with or without judicial process, enter (if this can be done without breach of the peace) upon any place which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code); and the Mortgagee shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to the Mortgagor's right of redemption in satisfaction of the Mortgagor's obligations as provided in the Code. The Mortgagee without removal may render the Collateral unusable and dispose of the Collateral on the Premises. The Mortgagee may require the Mortgagor to assemble the Collateral and make it available to the Mortgagee for its possession at a place to be designated by Mortgagee which is reasonably convenient to both parties. The Mortgagee will give at least five (5) days' notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by certified mail or equivalent, postage prepaid, to the address of Mortgagor determined as provided in Section 37 hereof, at least five (5) days before the time of the sale or disposition. The Mortgagee may buy at any public sale, and if the Collateral is a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, Mortgagee may buy at any private sale. Any such sale may be held as part of and in conjunction with any foreclosure sale of the Real Estate comprised within the Premises, the Collateral and Real Estate to be sold as one lot if Mortgagee so elects. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking,

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holding, preparing for sale, selling or the like and the reasonable attorneys' fees and legal expenses incurred by Mortgagee, shall be applied in satisfaction of the Indebtedness Hereby Secured. The Mortgagee will account to the Mortgagor for any surplus realized on such disposition.

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

(h) The terms and provisions contained in this Section 18 shall, unless the context otherwise requires, have the meanings and be construed as provided in the Code.

19. Events of Default. If one or more of the following events (herein called "Events of Default") shall occur:

(a) If default is made in the due and punctual payment of the Note or any installment thereof, either principal or interest, as and when the same is due and payable, or if default is made in the making of any payment of monies required to be made hereunder or under the Note and any applicable period of grace specified in the Note shall have elapsed; or

(b) If an Event of Default pursuant to Section 17 hereof shall occur and be continuing without notice or period of grace of any kind; or

(c) If default is made in the maintenance and delivery to Mortgagee of insurance required to be maintained and delivered hereunder, without notice or grace of any kind; or

(d) If (and for the purpose of this Section 19(d) only, the term Mortgagor shall mean and include not only Mortgagor but any beneficiary of a Trust Mortgagor and each general partner of any beneficiary of a trustee Mortgagor and each person who, as guarantor, comaker or otherwise shall be or become liable for or obligated upon all or any part of the Indebtedness Hereby Secured or any of the covenants or agreements contained herein),

(i) The Mortgagor shall file a petition in voluntary bankruptcy under the Bankruptcy Code of the United States or any similar law, state or federal, now or hereafter in effect, or

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

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

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

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

(e) If any default shall exist under the provisions of Section 25 hereof or under the Assignment; or

(f) If default shall continue for fifteen (15) days after notice thereof by the Mortgagee to the Mortgagor in the due and punctual performance or observance of any other agreement or condition herein or in the Note contained; or

(g) If the Premises shall be abandoned; or

(h) If any default shall exist under the provisions of the Loan Papers; or

(i) If any representation made by or on behalf of Mortgagor in connection with the Indebtedness Hereby Secured, shall prove untrue in any material respect;

then the Mortgagee is hereby authorized and empowered, at its option, and without affecting the lien hereby created or the priority of said lien or any right of the Mortgagee hereunder, to declare, without further notice all Indebtedness Hereby Secured to be immediately due and payable, whether or not such default is thereafter remedied by the Mortgagor, and the Mortgagee may immediately proceed to foreclose this Mortgage and/or exercise any right, power or remedy provided by this Mortgage, the Note, the Assignment or by law or in equity conferred.

20. Foreclosure. When the Indebtedness Hereby Secured, or any part thereof, shall become due, whether by acceleration or other-

wise, the Mortgagee shall have the right to foreclose the lien hereof for such Indebtedness or part thereof. In any suit or proceeding to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale, all expenditures and expenses which may be paid or incurred by or on behalf of the Mortgagee for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurance with respect to title, as the Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree, the true conditions of the title to or the value of the Premises. All expenditures and expenses of the nature in this Section mentioned, and such expenses and fees as may be incurred in the protection of the Premises and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by the Mortgagee in any litigation or proceedings affecting this Mortgage, the Note or the Premises, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by the Mortgagor, with interest thereon at the Default Rate.

21. **Proceeds of Foreclosure Sale.** The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: First, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Section 20 hereof; Second, all other items which, under the terms hereof, constitute Indebtedness Hereby Secured additional to that evidenced by the Note, with interest on such items as herein provided; Third, to interest remaining unpaid upon the Note; Fourth, to the principal remaining unpaid upon the Note; and lastly, any overplus to the Mortgagor, and its successor or assigns, as their rights may appear.

22. **Receiver.** Upon, or at any time after, the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the Premises. Such appointment maybe made either before or after sale, without notice, without regard to solvency or insolvency of the Mortgagor at the time of application for such receiver, and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not; and the Mortgagee hereunder or any holder of the Note may be appointed as such receiver. Such receiver shall have the power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during any further times when the Mortgagor, except for the intervention of such receiver, would be

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entitled to collection of such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period, the court may, from time to time, authorize the receiver to apply the net income from the Premises in his hands in payment in whole or in part:

(a) The Indebtedness Hereby Secured or the indebtedness secured by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made to the foreclosure sale; or

(b) The deficiency in case of a sale and deficiency.

23. **Insurance Upon Foreclosure.** In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied in Restoring the Improvements, as aforesaid, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct. In the case of foreclosure of this Mortgage, the court, in its decree, may provide that the Mortgagee's clause attached to each of the casualty insurance policies may be canceled and that the decree creditor may cause a new loss clause to be attached to each of said casualty insurance policies making the loss thereunder payable to said decree creditors; and any such foreclosure decree may further provide that in case of one or more redemptions under said decree, pursuant to the statutes in each such case made and provided, then in every such case, each and every successive redeemer may cause the proceeding loss clause attached to each casualty insurance policy to be canceled and a new loss clause to be attached thereto, making the loss thereunder payable to such redeemer. In the event of foreclosure sale, the Mortgagee is hereby authorized, without the consent of the Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take other steps as the Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of said insurance policies.

24. **Waiver.** The Mortgagor hereby covenants and agrees that it will not at any time insist upon or plead, or in any manner whatever claim or take any advantage of, any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, nor claim take or insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Premises, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provisions herein contained, or to decree, judgment or order of any court of competent jurisdiction; or after such sale or sales claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshaling thereof, upon foreclosure sale or other enforcement hereof. The Mortgagor hereby expressly

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waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage, on its own behalf and on behalf of each and every person, excepting only decree or judgment creditors of the Mortgagor acquiring any interest or title to the Premises or beneficial interest in Mortgagor subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of the Mortgagor and of all other persons are and shall be deemed to be hereby waived to the full extent permitted by the provisions of Chapter 110, Paragraph 12-124 and Paragraph 12-125 of the Illinois Statutes or other applicable law or replacement statutes. The Mortgagor will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any right, power or remedy herein or otherwise granted or delegated to the Mortgagee, but will suffer and permit the execution of every such right, power and remedy as though no such law or laws had been made or enacted. If the Mortgagor is a trustee, Mortgagor represents that the provisions of this Section (including the waiver of redemption rights) were made at the express direction of Mortgagor's beneficiaries and the persons having the power of direction over Mortgagor and are made on behalf of the Trust Estate of Mortgagor and all beneficiaries of Mortgagor, as well as all other persons mentioned above.

25. Assignment. As further security for the Indebtedness Hereby Secured, the Mortgagor has, concurrently herewith, executed and delivered to the Mortgagee a separate instrument (herein called the "Assignment") dated as of the date hereof, wherein and whereby, among other things, the Mortgagor has assigned to the Mortgagee all of the rents, issues and profits and/of any and all leases and/or rights of management of the Premises, all as therein more specifically set forth, which said Assignment is hereby incorporated herein by reference as fully and with the same effects as if set forth herein at length. The Mortgagor agrees that it will duly perform and observe all of the terms and provisions on its part to be performed and observed under the Assignment. The Mortgagor further agrees that it will duly perform and observe all the terms and provisions on lessor's part to be performed and observed under any and all leases of the Premises to the end that no default on the part of lessor shall exist thereunder. Nothing herein contained shall be deemed to obligate the Mortgagee to perform or discharge any obligation, duty or liability of lessor under any lease of the Premises, and the Mortgagor shall and does hereby indemnify and hold the Mortgagee harmless from any and all liability, loss or damage which the Mortgagee may or might incur under any lease of the Premises or by reason of the Assignment; and any and all such liability, loss or damage incurred by the Mortgagee, together with the costs and expenses, including reasonable attorneys' fees, incurred by the Mortgagee in the defense of any claims or demands therefore (whether successful or not), shall be so much additional Indebtedness Hereby Secured, and the Mortgagor shall reimburse the Mortgagee therefore on demand, together with interest at the Default Rate from the date of demand to the date of payment. Mortgagor covenants and agrees that it shall not enter into any lease or leases

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covering more than 10 percent of the rentable square feet of the Improvements, without first obtaining the prior written consent of Mortgagee.

26. Mortgagee in Possession. Nothing herein contained shall be construed as constituting the Mortgagee a mortgagee in possession in the absence of the actual taking of possession of the Premises by the Mortgagee.

27. Business Loan. It is understood and agreed that the loan evidenced by the Note and secured hereby is a business loan within the purview of Section 6404 of Chapter 17 of Illinois Revised Statutes (or any substitute, amended, or replacement statutes) transacted solely for the purpose of carrying on or acquiring the business of the Mortgagor or, if the Mortgagor is a trustee, for the purpose of carrying on or acquiring the business of the beneficiaries of the Mortgagor as contemplated by said Section.

28. Environmental Conditions. Mortgagor represents that (i) Mortgage has not used Hazardous Materials (as defined hereinafter) on, from or affecting the Premises in any manner which violates federal, State of Illinois or any Illinois unit of local government's laws, ordinances, rules, regulations, or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials, and that, to the best knowledge of First Party, no prior owner of the Premises or any tenant, subtenant, occupant, prior tenant, prior subtenant or prior occupant has used Hazardous Materials on, from or affecting the Premises in any manner which violates federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials; (ii) Mortgagor has never received any notice of any violations of federal, State of Illinois or Illinois local governmental unit laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials and, to the best knowledge of Mortgagor, there have been no actions commenced or threatened by any party for noncompliance. For purposes of this Mortgage, "Hazardous Materials" includes, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (42 U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 9601, et seq.), and in the regulations adopted and publications promulgated pursuant thereto.

Mortgagor shall keep or cause the Premises to be kept free of Hazardous Materials, and, without limiting the foregoing, Mortgagor shall not cause or permit the Premises to be used to gener-

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ate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce, or process Hazardous Materials, except in compliance with all applicable federal, state and local laws and regulations, nor shall Mortgagor cause or permit, as a result of any intentional or unintentional act or omission on the part of Mortgagor a release of Hazardous Materials onto the Premises or onto any other property, and Mortgagor shall use its best efforts to prevent any intentional act or omission on the part of any tenant, subtenant or occupant from releasing Hazardous Materials onto the Premises or onto any other property.

Mortgagor shall (i) conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials, on, under, from or affecting the Premises in accordance with all applicable federal, state and local laws, ordinances, rules, regulations and policies, to the reasonable satisfaction of Mortgagee, and in accordance with the orders and directives of all federal, state, and local governmental authorities and (ii) defend, indemnify and hold harmless Mortgagee, its employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to, (a) the presence, disposal, release or threatened release of any Hazardous Materials on, over, under, from, or affecting the Premises or the soil, water, vegetation, buildings, personal property, persons or animals thereon; (b) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; (c) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Materials, and/or (d) any violation of laws, orders, regulations, requirements or Mortgagee, which are based upon or in any way related to such Hazardous Materials including, without limitation, reasonable attorneys' and consultants' fees, investigation and laboratory fees, court costs, and litigation expenses.

Mortgagor shall provide Mortgagee, within fourteen (14) days after Mortgagee's written request therefore, with (i) a written history of the use of the Premises, including in particular, but not in limitation, any past military, industrial, or landfill use of the Premises, and specifically indicting in such response the presence, if any, of underground storage tanks; (ii) if such underground storage tanks do exist, evidence of maintenance and repair thereof, copies of any and all clean-up or removal orders issued by any federal, state or local governmental agency, and, if needed in Mortgagee's judgment, evidence of removal or such underground storage tanks; and (iii) written indications from the regional office of the federal Environmental Protection Agency, and any state Environmental Protection Agency whether the Premises have been used for the storage of oil, hazardous waste, any toxic substance, or any Hazardous Material.

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29. **Contests.** Notwithstanding anything to the contrary herein contained, Mortgagor shall have the right to contest by appropriate legal proceedings diligently prosecuted any Taxes imposed or assessed upon the Premises or which may be or become a lien thereon and any mechanics', materialmen's or other liens or claims for lien upon the Premises (all herein called "Contested Liens"), and no Contested Lien shall constitute an Event of Default hereunder, if, but only if:

(a) Mortgagor shall forthwith give notice of any Contested Lien to Mortgagee at the time the same shall be asserted;

(b) Mortgagor shall deposit with Mortgagee the full amount (herein called the "Lien Amount") of such Contested Lien or which may be secured thereby, together with such amount as Mortgagee may reasonably estimate as interest or penalties which might arise during the period of contest; provided that in lieu of such payment Mortgagor may furnish to Mortgagee a bond or title indemnity in such amount and form, and issued by a bond or title insuring company, as may be satisfactory to Mortgagee;

(c) Mortgagor shall diligently prosecute the contest of any Contested Lien by appropriate legal proceedings having the effect of staying the foreclosure or forfeiture of the Premises, and shall permit Mortgagee to be represented in any such contest and shall pay all expenses incurred by Mortgagee in so doing, including fees and expenses of Mortgagee's counsel (all of which shall constitute so much additional Indebtedness Hereby Secured bearing interest at the Default Rate until paid, and payable upon demand);

(d) Mortgagor shall pay such Contested Lien and all Lien Amounts together with interest and penalties thereon (i) if and to the extent that any such Contested Lien shall be determined adverse to Mortgagor, or (ii) forthwith upon demand by Mortgagee if, in the opinion of Mortgagee, and notwithstanding any such contest, the Premises shall be in jeopardy or in danger of being forfeited or foreclosed; provided that if Mortgagor shall fail so to do, Mortgagee may, but shall not be required to, pay all such Contested Liens and Lien Amounts and interest and penalties thereon and such other sums as may be necessary in the judgment of the Mortgagee to obtain the release and discharge of such liens; and any amount expended by Mortgagee in so doing shall be so much additional Indebtedness Hereby Secured bearing interest at the Default Rate until paid, and payable upon demand; and provided further that Mortgagee may in such case use and apply for the purpose monies deposited as provided in Subsection 29(b) above and may demand payment upon any bond or title indemnity furnished as aforesaid.

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30. **Title in Mortgagor's Successors.** In the event that the ownership of the Premises or any part thereof becomes vested in a person or persons other than the Mortgagor, the Mortgagee may, without notice to the Mortgagor, deal with such successor or successors in interest of the Mortgagor with reference to this Mortgage and the Indebtedness Hereby Secured in the same manner as with the Mortgagor. The Mortgagor will give immediate written notice to the Mortgagee of any conveyance, transfer or change of ownership of the Premises, but nothing in this Section 30 contained shall vary or negate the provisions of Section 17 hereof.

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

32. **Successors and Assigns.** This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon the Mortgagor and its successors and assigns (including, without limitation, each and every from time to time record owner of the Premises or any other person having an interest therein) and shall inure to the benefit of the Mortgagee and its successors and assigns. Wherever herein the Mortgagee is referred to, such reference shall be deemed to include the holder from time to time of the Note, whether so expressed or not; and each such from time to time holder of the Note shall have and enjoy all of the rights, privileges, powers, options, benefits and security afforded hereby and hereunder, and may enforce every and all of the terms and provisions hereof, as fully and to the same extent and with the same effect as if such from time to time holder was herein by name specifically granted such rights, privileges, powers, options, benefits and security and was herein by name designated the Mortgagee.

33. **Provisions Severable.** The unenforceability or invalidity of any provision or provisions hereof shall not render any other provision or provisions herein contained unenforceable or invalid.

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

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COOK COUNTY CLERK'S OFFICE
110 N. LAUREL ST. CHICAGO, IL 60602
TEL: 312.603.1000 FAX: 312.603.1001
WWW.COOKCOUNTYCLERK.COM

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35. **Captions and Pronouns.** The captions and headings of the various sections of this Mortgage are for convenience only, and not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular number shall include the plural, the plural shall include the singular and the masculine, feminine and neuter genders shall be freely interchangeable.

36. This is a construction mortgage, as said term is defined in Section 9-313(1)(c) of the Illinois Uniform Commercial Code. Mortgagor further covenants and agrees that the loan secured hereby is a construction loan and that:

- (1) the improvements to be erected, altered, or remodeled on the Premises shall be completed in accordance with the plans and specifications deposited with Mortgagee;
- (2) there shall be no stoppage of construction for a period longer than 30 days, except for matters beyond the reasonable control of Mortgagor;
- (3) in any event, said construction shall be completed not later than May 1, 1990;
- (4) upon default in any of the covenants in (1), (2) or (3) above, Mortgagee may (but need not):
 - (a) declare the principal indebtedness and interest thereon due and payable;
 - (b) complete the construction, alteration, or remodeling of said improvements and enter into the necessary contracts therefore. All money so expended shall be so much additional indebtedness secured by this mortgage and any monies expended in excess of the Note shall be payable on demand with interest at the post-maturity rate.

Mortgagee may exercise either or both of said remedies:

- (5) the construction of said improvements is and will be in compliance with all governmental regulations and restrictions and with all zoning and building laws and ordinances of the municipality in which the Premises are located, and with all building restrictions of record; Mortgagor will furnish satisfactory evidence to Mortgagee of such compliance;
- (6) the proceeds of the loan secured by this Mortgage will be disbursed to Mortgagor pursuant to the provisions of a construction loan agreement ("Loan Agreement") dated the date hereof. All advances and indebtedness arising and accruing under the Loan Agreement from time to

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time, whether or not the total amount thereof may exceed the face amount of the Note, shall be secured hereby to the same extent as though said Loan Agreement were fully incorporated in this Mortgage and the occurrence of an event of default under said Loan Agreement shall constitute a default under this Mortgage, entitling Mortgagee to all of the rights and remedies conferred upon Mortgagee by the terms of this Mortgage (including those set forth in subparagraph (4) of this paragraph) or by law as in the case of any other default.

37. Addresses and Notices. Any notice which any party hereto may desire or may be required to give to any other party shall be in writing, and the personal delivery thereof or the passage of three days after the mailing thereof by registered or certified mail, return receipt requested, to the addresses initially specified in the introductory paragraph hereof, or to such other place or places as any party hereto may by notice in writing designate, shall constitute service of notice hereunder.

Copies of notices to Mortgagor shall be sent to:

Howard Goode, Esq.
950 Skokie Boulevard
Suite 210
Northbrook, Illinois 60062

and copies of notices to Mortgagee shall be sent to:

DiMonte & Lizak
1300 West Higgins Road
Suite 200
Park Ridge, Illinois 60068
Attention: Bruce A. Salk

38. Mortgagor Will Not Discriminate. Mortgagor covenants and agrees at all times to be in full compliance with provisions of law prohibiting discrimination on the basis of race, color, creed or national origin including, but not limited to, the requirements of Title VIII of the 1968 Civil Rights Act, or any substitute, amended or replacement Acts.

39. Interest at the Default Rate. Without limiting the generality of any provision herein or in the Note contained, from and after the occurrence of any Event of Default hereunder, all of the Indebtedness Hereby Secured shall bear interest at the Default Base Rate specified in the Note.

40. Condition of Title. Mortgagor represents that it is the owner in fee of the Real Estate as so described on Exhibit A hereto, all of which is encumbered hereby as security for the Indebtedness Hereby Secured as hereinabove more fully set forth.

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This Mortgage is executed by NBD Trust Company of Illinois, not personally, but as Trustee as aforesaid, in the exercise of the power and authority conferred upon and fixed in as such as Trustee, and it is expressly understood and agreed that nothing herein contained shall be constituted as creating any liability on said Bank as Trustee as aforesaid, or on said Bank personally, to pay said Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant either express or implied herein contained, all such liability, if any, being expressly waived by the Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as Bank, as Trustee as aforesaid, and its successors, are concerned, the Mortgagee and the holder or holders of the Note and the owner or owners of the indebtedness accruing hereunder shall look solely to any one or more of (a) the Premises hereby conveyed for the payment thereof, by the enforcement of the lien hereby created, in the manner herein and in the Note provided, or (b) action to enforce the personal liability of any obligor, guarantor or co-maker, or (c) enforcement of any other security or collateral securing the Indebtedness Hereby Secured.

IN WITNESS WHEREOF, NBD Trust Company of Illinois, not personally, but as Trustee as aforesaid, has caused these presents to be signed by one of its ~~Vice Presidents or Assistant Vice Presidents~~ and its corporate seal to be hereunto affixed and attested by its ~~Assistant Secretary~~, all on and as of the day, month and year first above written.

NBD TRUST COMPANY OF ILLINOIS,
not personally, but as
Trustee as aforesaid, Successor Trustee to
NBD Park Ridge Bank, f/k/a Citizens Bank & Trust
Company.

By: *Richard A. [Signature]*
Vice President

ASST. VICE PRESIDENT & TRUST OFFICER

ATTEST:

Mary C. Roberts
Secretary
TRUST OFFICER

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

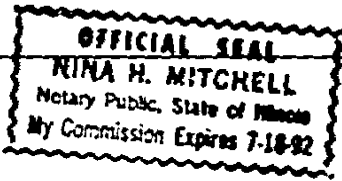
I, the undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that Dorothy A. Denning ^{ASS. VICE PRESIDENT & TREASURER}, ~~Vice-President~~ of NBD TRUST COMPANY OF ILLINOIS, and Mary C. Roberts ^{TREASURER}, ~~Assistant-Secretary~~ of said banking association, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such ~~Vice President and Assistant Secretary~~, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary acts, and as the free and voluntary act of said banking association, for the uses and purposes therein set forth; and the said ~~Assistant Secretary~~ did also then and there acknowledge that he, as custodian for the corporate seal of said banking association did affix the said instrument as his own free and voluntary act, and as the free and voluntary act of said banking association, for the uses and purposes set forth.

Given under my hand and notarial seal this 1st day of June, 1989.

Nina H. Mitchell

Notary Public

My Commission Expires:



BOX 333-GG

THIS INSTRUMENT PREPARED BY AND SHOULD BE RETURNED TO:

Bruce A. Balk
DiMonte & Lizak
1300 West Higgins Road
Suite 200
Park Ridge, Illinois 60068

89254068

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EXHIBIT A

Lots 10 to 17 inclusive in Block 5 in Sherman's Addition to Holstein in the South East 1/4 of the North West 1/4 of Section 31, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

PIN: 31-131-010-0000
31-131-011-0000

ADDRESS: 2025 West Charleston
Chicago, Illinois 60647

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