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OPEN-END MORTGAGE
ASSIGNMENT OF RENTS AND SECURITY AGREEMENT
(Total Principal Indebtedness not to Exceed \$1,218,750.00)

THIS MORTGAGE (herein "Instrument") is made this 1st day of May, 1990, between Capitol Bank and Trust, an Illinois corporation, not personally, but solely as Trustee under the provisions of a deed or deeds in trust duly recorded and delivered to said Trustee in pursuance of a Trust Agreement dated March 1, 1990 and known as Trust Number 2008, whose address is Land Trust Department, 4801 West Fullerton Avenue, Chicago, Illinois 60639 (herein "Borrower" or "Mortgagor/Grantor"), and the Mortgagee, OMNI MORTGAGE COMPANY, a Corporation organized and existing under the laws of the State of Ohio, whose address is 1250 Superior Avenue, Cleveland, Ohio 44114 (herein "Lender"), its successors and assigns.

WHEREAS, Borrower is indebted to Lender in the principal sum of One Million Two Hundred Eighteen Thousand Seven Hundred Fifty and No/100 Dollars (\$1,218,750.00), which indebtedness is evidenced by Borrower's note of even date herewith (herein "Note") providing for monthly installments of interest only with the balance of the indebtedness, if not sooner paid, due and payable on May 31, 1992;

TO SECURE TO LENDER (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, and all renewals, extensions and modifications thereof; (b) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Instrument; (c) the performance of the covenants and agreements of Borrower contained in a Construction Loan Agreement between Lender and Borrower of even date herewith, as provided in paragraph 25 hereof; and (d) the performance of the covenants and agreements of Mortgagor/Grantor contained herein, or in any of the other Loan Documents, as hereinafter defined, Mortgagor/Grantor does hereby mortgage, grant, convey and assign to Lender the following described property located in the County of Cook, in the State of Illinois and being the real estate described in EXHIBIT A (said real estate and improvements thereon as set forth hereinbelow shall hereinafter sometimes be referred to as the "Property") attached hereto and made a part hereof in its entirety.

TOGETHER with all buildings, improvements, and tenements now situated or hereafter erected on the real estate described in Exhibit A, and all heretofore or hereafter vacated alleys and streets abutting said real estate, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock appurtenant to said real estate, and all other real property now owned by or hereafter acquired by Mortgagor/Grantor which may by further agreement of the parties hereto be made subject to the lien of this Instrument or any supplement thereto, and all fixtures, machinery, equipment, engines, boilers, incinerators, building materials, appliances and goods of every nature whatsoever, whether real, personal or mixed real and personal property, now or hereafter located in, or on, or

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used in connection with the management, maintenance and operation of said real estate and owned by the Mortgagor/Grantor, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light; and all elevators, and related machinery and equipment, fire prevention and extinguishing apparatus, sewage and garbage disposal systems, security and access control apparatus, radio, telephone and television systems and related equipment therefor, computers and all hardware and software therefor, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, paneling, rugs, attached floor coverings, furniture, pictures, antennas, trees and plants; and all rentals, revenues, payments, deposits, income, charges and monies, derived from the use, lease, sublease, rental or other disposition of said real estate and the proceeds from any insurance or condemnation award pertaining thereto; and all earnest money deposits, progress payments or similar monies or deposits received in conjunction with the sale of lots within the Property; and all accounts, contract rights, intangibles, actions and rights in action, instruments and documents, including, but not limited to, all permits, consents, approvals, licenses or authorizations of any governmental or regulatory authority or any person, corporation, partnership, trust or other entity, used, or intended to be used in connection with said real estate; all of which, including all proceeds thereof, and all replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Instrument; and all of the foregoing, together with all renewals or replacements thereof or articles in substitution thereof, are herein referred to as the "Property".

TO HAVE AND TO HOLD the above granted Property, with the appurtenances thereunto belonging, unto the Lender, its successors and assigns, forever. And the Mortgagor/Grantor does, for itself and its successors and assigns, hereby covenant with the Lender, its successors and assigns, that at and until the ensealing of these presents, the Mortgagor/Grantor is well seized of the above described Property as a good and indefeasible estate in fee simple, and has good right to give, grant, bargain, sell and convey the same in manner and form as above-written; that the Property is free and clear from all encumbrances whatsoever, except for zoning ordinances, if any, taxes and assessments not yet due and payable and any easements and restrictions listed in a schedule of exceptions to coverage in the title insurance policy insuring Lender's interest in the Property; and that the said Mortgagor/Grantor will warrant and defend the Property, with the appurtenances thereto belonging, to the Lender, its successors and assigns forever, against all claims and demands whatsoever, excepting only as aforesaid.

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And whereas the Mortgagor/Grantor does for itself, its heirs, legal representatives, vendees, successors and assigns, hereby covenant, agree and stipulate to and with the Lender, its successors and assigns as follows:

1. PAYMENTS OF PRINCIPAL AND INTEREST, PERFORMANCE OF OBLIGATIONS. Mortgagor/Grantor shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, any prepayment premiums and any late charges provided in the Note and all other sums secured by this Instrument, and shall fully and punctually keep and perform the other terms, covenants, agreements, provisions and conditions contained in the Note, herein, or in any of the other Loan Documents.

2. FUNDS FOR TAXES, INSURANCE AND OTHER CHARGES. Mortgagor/Grantor shall pay to Lender on the day monthly installments of principal or interest are payable under the Note (or on another day designated in writing by Lender), until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of (a) the yearly taxes and assessments which may be levied on the Property, and (b) the yearly premium installments for fire and other hazard insurance, rent loss insurance and such other insurance covering the Property as Lender may require pursuant to paragraph 1 hereof, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Lender may require Mortgagor/Grantor to pay to Lender in advance, such other Funds for other taxes, charges, premiums, assessments and impositions in connection with Mortgagor/Grantor or the Property which Lender shall reasonably deem necessary to protect Lender's interests (herein "Other Impositions"). Lender may require Funds for Other Impositions to be paid by Mortgagor/Grantor in a lump sum or in periodic installments, at Lender's option.

Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and Other Impositions so long as Mortgagor/Grantor is not in breach of any covenant or agreement of Mortgagor/Grantor in this Instrument. Lender shall make no charge for so holding and applying the Funds, analyzing said account or for verifying and compiling said assessments and bills. Lender shall not be required to pay Mortgagor/Grantor any interest, earnings or profits on the Funds. Lender shall give to Mortgagor/Grantor, without charge, an annual accounting of the Funds in Lender's normal format showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Instrument.

If the amount of the Funds held by Lender at the time of the annual accounting thereof shall exceed the amount deemed necessary by Lender to provide for the payment of taxes, assessments, insurance premiums, and Other Impositions, as they

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fall due, such excess shall be credited to Mortgagor/Grantor on the next monthly installment or installments of Funds due. If at any time the amount of the Funds held by Lender shall be less than the amount needed necessary by Lender to pay taxes, assessments, insurance premiums, and other impositions, as they fall due, Mortgagor/Grantor shall pay to Lender any amount necessary to make up the deficiency within thirty days after notice from Lender to Mortgagor/Grantor requesting payment thereof.

Upon Mortgagor/Grantor's breach of any covenant or agreement of Mortgagor/Grantor in this Instrument, Lender may apply, in any amount and in any order as Lender shall determine in Lender's sole discretion, any Funds held by Lender at the time of application: (i) to pay taxes, assessments, insurance premiums and other impositions which are now or will hereafter become due; or (ii) as a credit against the indebtedness secured by this instrument. Upon payment in full of all indebtedness secured by this instrument, Lender shall promptly refund to Mortgagor/Grantor any Funds held by Lender.

3. APPLICATION OF PAYMENTS. Unless applicable law provides otherwise, all payments received by Lender from Mortgagor/Grantor under the Note or this Instrument shall be applied by Lender in the following order of priority: (i) amounts payable to Lender by Mortgagor/Grantor under paragraph 2 hereof; (ii) late charges payable pursuant to the Note; (iii) prepayment premiums payable pursuant to the Note; (iv) interest payable on the Note; (v) principal of the Note; (vi) interest payable on advances made pursuant to paragraph 8 hereof, and (vii) principal of advances made pursuant to paragraph 8 hereof; and (viii) any other sums secured by this Instrument in such order as Lender, at Lender's option, may determine; provided, however, that Lender may, at Lender's option apply any sums payable pursuant to paragraph 8 hereof prior to interest on and principal of the Note, but such application shall not otherwise affect the order of priority of application specified in this paragraph 3.

4. CHARGES; LIENS. Mortgagor/Grantor shall pay all taxes, assessments, premiums, and other impositions attributable to the Property at Lender's option in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Mortgagor/Grantor making payment, when due, directly to the payee thereof, or in such other manner as Lender may designate in writing. Mortgagor/Grantor shall promptly furnish to Lender all notices or amounts due under this paragraph 4, and in the event mortgagor/Grantor shall make payment directly, Mortgagor/Grantor shall promptly discharge any lien which has, or may have, priority over or equality with, the lien of this Instrument, and Mortgagor/Grantor shall pay, when due, the claims of all persons supplying labor or materials to or in connection with the Property. Without Lender's prior written consent, Mortgagor/Grantor shall not knowingly allow any lien inferior or superior to this

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Instruments to continue to exist, whether recorded or unrecorded, against the Property, except for that second Mortgage to Lender against the Property in the amount of One Million and No/100 Dollars (\$1,000,000.00).

Nothing in this paragraph 4 shall require the payment or discharge of any obligation imposed upon Mortgagor/Grantor by this paragraph 4 so long as Mortgagor/Grantor shall in good faith and at its own expense contest the same or the validity thereof by appropriate legal proceedings, which proceedings must operate to prevent the collection thereof or other realization thereon and the sale or foreclosure of the Property or any part thereof to satisfy the same; provided that during such contest the Mortgagor/Grantor shall, at the option of the Lender, provide security satisfactory to the Lender, assuring the discharge of the Mortgagor/Grantor's obligation hereunder and of any additional interest, charge, penalty or expense arising from or incurred thereunder. If at any time payment for an obligation imposed upon Mortgagor/Grantor by this paragraph 4 shall become necessary to prevent a lien foreclosure sale of the Property or any portion thereof because of non-payment, then Mortgagor/Grantor shall pay the same in sufficient time to prevent the foreclosure sale.

5. INSURANCE. Mortgagor/Grantor shall keep the buildings and improvements now existing or hereafter erected on the Property insured at all times by carriers satisfactory to Lender against loss by fire, hazards included within the term "extended coverage", rent loss, boilers risk (in case of buildings and improvements to be built) and such other hazards, casualties, liabilities and contingencies and for such periods as Lender shall require and for not less than their full insurable value or such amount as may be required by the Lender (which shall never be less than the outstanding balance of the Note). If the policy is written on a co-insurance basis, the policy shall contain an "Agreed Amount Enforcement" as evidence of sufficient coverage. If the Property are in an area which is considered a flood risk area by the U.S. Department of Housing and Development, Mortgagor/Grantor will also maintain flood risk insurance in form and substance satisfactory to Lender. Mortgagor/Grantor's public liability insurance coverage shall be in such amount as required by Lender from time to time, but never less than the outstanding balance of the loan or \$1,000,000, whichever is less. Mortgagor/Grantor's rent loss insurance coverage shall be in a minimum amount of not less than six (6) months gross rental income receivable from the Property as shown on the most recent certified rent roll or operating statements of the Property; provided, however, if the most recent rent roll or operating statement is more than one (1) year old, Lender may adjust the amount shown therein as may reasonably reflect the current gross rental income.

All premiums on insurance policies shall be paid, at Lender's option, in the manner provided under paragraph 2 hereof,

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or by Mortgagor/Grantor making payment, when due, directly to the carrier, or in such other manner as Lender may designate in writing. Insurance shall be written by a company or companies approved by Lender, shall be issued by carriers with a Best's Insurance Reports policyholder's rating of A or better and a financial category of Class X or Letter, all policies and renewals thereof shall be held by Lender, and shall contain a standard "Mortgagee Clause" (without contribution) in favor of and in form acceptable to Lender. No lien upon any of such policies of insurance or upon any refund or return of premium which may be payable on the cancellation or termination thereof shall be given other than to Lender, except by proper endorsement affixed to such policy and approved by Lender.

All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a clause that said insurance will not be terminated until 30 days after receipt by Lender of written notice thereof from the insurance carrier. Lender shall have the right to hold the policies, and Mortgagor/Grantor shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. At least thirty days prior to the expiration date of a policy, Mortgagor/Grantor shall deliver to Lender a renewal policy in form satisfactory to Lender.

In the event of loss, Mortgagor/Grantor shall give immediate written notice to the insurance carrier and to Lender. In the event of loss exceeding the sum of \$10,000, then Mortgagor/Grantor hereby authorizes and empowers Lender as attorney-in-fact for Mortgagor/Grantor to make proof of loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Lender's expenses incurred in the collection of such proceeds; provided, however, that nothing contained in this paragraph 5 shall require Lender to incur any expense or take any action hereunder. Mortgagor/Grantor further authorizes Lender, at Lender's option, (a) to hold the balance of such proceeds to be used to reimburse Mortgagor/Grantor for the cost of reconstruction or repair of the Property or (b) if, in Lender's opinion, reconstruction or repair of the Property is not economically feasible or if the security of this Instrument would be impaired, to apply the balance of such proceeds to the payment of the sums secured by this Instrument, whether or not then due, in the order of application set forth in paragraph 4 hereof.

If the insurance proceeds are held by Lender to reimburse Mortgagor/Grantor for the cost of restoration and repair of the Property, the Property shall be restored to the equivalent of its original condition or such other condition as Lender may approve in writing. Lender may, at Lender's option, condition disbursement of said proceeds on Lender's approval of such plans and specifications of an architect satisfactory to Lender, contractor's cost

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estimates, architect's certificates, waivers of liens, sworn statements of mechanics and materialmen and such other evidence of costs, percentage completion of construction, application of payments, and satisfaction of liens as Lender may require. If the insurance proceeds are applied to the payment of the sums secured by this instrument, any such application of proceeds to principal shall not extend or postpone the due dates of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amounts of such installments. If the Property is sold pursuant to paragraph 37 hereof or if Lender acquires title to the Property, Lender shall have all of the right, title and interest of Mortgagee/Grantor in and to any insurance policies and unearned premiums in force and in and to the proceeds resulting from any damage to the Property prior to such sale or acquisition.

6. RESTORATION AND MAINTENANCE OF PROPERTY. It shall be an event of default under this instrument if Mortgagee/Grantor, within thirty (30) days after receipt of written notice thereof from Lender, fails to cure any or all violations of the following: Mortgagee/Grantor (a) shall not commit waste or permit impairment or deterioration of the Property, (b) shall not abandon the Property, (c) shall restore or repair promptly and in a good and workmanlike manner all or any part of the Property to the equivalent of its original condition (ordinary wear and tear excepted), or such other condition as Lender may approve in writing, in the event of any damage, injury or loss thereto, whether or not insurance proceeds or the proceeds of any award, payment or claim for damages relating to any condemnation or other taking of the Property are available to cover in whole or in part the costs of such restoration or repair; provided, however, Lender shall not have elected to apply such proceeds to the payment of the sums secured by this Instrument, (d) shall keep the Property, including improvements, fixtures, equipment, machinery and appliances thereon in good repair and shall replace fixtures, equipment, machinery and appliances on the Property when necessary to keep such items in good repair, (e) shall comply in all material respects with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property, including, without limitation, all laws, rules and regulations regarding the use, storage, removal and disposal of hazardous waste or toxic substances, (f) shall generally operate and maintain the Property in a manner to ensure maximum income, and (g) without Lender's prior written consent, shall not itself and shall not allow any other person to remove, demolish, alter or construct additions to any improvement now existing or hereafter erected on the Property or any fixtures, equipment, machinery or appliance in or on the Property except when incident to the replacement of fixtures, equipment, machinery and appliances with items of like kind.

7. USE OF PROPERTY. Unless required by applicable law or unless Lender has otherwise agreed in writing, Mortgagee/Grantor shall not allow changes in the use for which all

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or any part of the Property was intended at the time this Instrument was executed. Mortgagor/Grantor shall not initiate or acquiesce in a change in the zoning classification of the Property without Lender's prior written consent. Mortgagor/Grantor shall, within ten business days of Lender's sending a written notice requesting the same, furnish Lender with true and complete copies of all available licenses, approvals and permits necessary for the lawful use, occupancy and operation of the Property.

9. PROTECTION OF LENDER'S SECURITY. 11

Mortgagor/Grantor fails to perform the covenants and agreements contained in this Instrument, including, but not limited to, those set forth in paragraphs 2, 4 and 5 hereof, in the event of default under any other Loan Document, or if any action or proceeding is commenced which affects the Property or title thereto or the interest of Lender therein, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender, at Lender's option, may take such appearances, disburse such sums and take such action as Lender deems necessary, in its sole discretion, to protect Lender's interest, including, but not limited to, (i) disbursement of attorneys' fees, (ii) entry upon the Property to make repairs, (iii) procurement of satisfactory insurance as provided in paragraph 5 hereof, and (iv) payment of any other costs incurred for the protection of the Property. No such advance shall relieve Mortgagor/Grantor of the consequences of any such default or of the commencement of any such action or proceeding.

Any amounts disbursed by Lender pursuant to this paragraph 9, with interest thereon, shall become additional indebtedness of Mortgagor/Grantor secured by this Instrument. Unless Mortgagor/Grantor and Lender agree to other terms of payment, such amounts shall be immediately due and payable and shall bear interest from the date of disbursement at a rate equal to two percent (2%) per annum over and above the rate of interest then payable under the Note. Mortgagor/Grantor hereby covenants and agrees that Lender shall be subrogated to the lien of any mortgage or other lien discharged, in whole or in part, by the indebtedness secured hereby. Nothing contained in this paragraph 9 shall require Lender to incur any expense or take any action hereunder.

10. INSPECTION. Lender may make or cause to be made reasonable entries upon and inspections of the Property.

11. BOOKS AND RECORDS. Mortgagor/Grantor shall keep and maintain at all times at Mortgagor/Grantor's address set forth above, or such other place as Lender may approve in writing, complete and accurate books of accounts and records adequate to reflect correctly the results of the operation of the Primary Property and copies of all written contracts, leases and other instruments which affect the Property. Such books, records,

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contracts, leases and other instruments shall be subject to examination and inspection at any reasonable time by Lender. Unless waived in writing by Lender, Mortgagor/Grantor shall furnish to Lender, within one hundred and twenty days after the end of each fiscal year of Mortgagor/Grantor, a balance sheet, a statement of income and expenses of the Property and a statement of changes in financial position, each in reasonable detail and certified by Mortgagor/Grantor and, if requested by Lender, by an independent certified public accountant. Mortgagor/Grantor shall furnish, together with the foregoing financial statements and at any other time upon Lender's request, a rent schedule for the Property, certified by Mortgagor/Grantor, showing such information as may reasonably be required by Lender, including the name of each tenant, and for each tenant, the space occupied, the lease expiration date, the rent payable and the rent paid.

11. CONDEMNATION. Mortgagor/Grantor shall promptly notify Lender of any action or proceeding relating to any condemnation or other taking, whether direct or indirect, of the Property, or any part thereof, and Mortgagor/Grantor shall appear in and prosecute any such action or proceeding unless otherwise directed by Lender in writing. Mortgagor/Grantor authorizes Lender, at Lender's option, as attorney-in-fact for Mortgagor/Grantor, to connect, appear in and prosecute, in Lender's or Mortgagor/Grantor's name, any action or proceeding relating to any condemnation or other taking of the Property, whether direct or indirect, and to settle or compromise any claim for damages, direct or consequential, in connection with any condemnation or other taking. The proceeds of any award, payment or claim for damages, direct or consequential, in connection with any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, or for conveyances in lieu of condemnation, are hereby assigned to and shall be paid to Lender to be applied as provided in this paragraph 11.

Mortgagor/Grantor authorizes Lender, at Lender's option, to apply such awards, payments, proceeds or damages, after the deduction of Lender's expenses incurred in the collection of such amounts, to restoration or repair of the Property or if restoration or repair of the Property is not economically feasible or if, in Lender's opinion, the security of this Instrument would be impaired, to payment of the sums secured by this Instrument, whether or not then due, in order of application set forth in paragraph 2 hereof, with the balance, if any, to Mortgagor/Grantor. Unless Mortgagor/Grantor and Lender otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments. Mortgagor/Grantor agrees to execute such further evidence or assignment of any awards, proceeds, damages or claims arising in connection with such condemnation or taking as Lender may require.

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12. MORTGAGOR/GRANTOR AND LIEN NOT RELEASED. From time to time, Lender may, at Lender's option, without giving notice to or obtaining the consent of Mortgagor/Grantor, Mortgagor/Grantor's successors or assigns or of any junior lienholder or guarantors, without liability on Lender's part and notwithstanding Mortgagor/Grantor's breach of any covenant or agreement of Mortgagor/Grantor in this Instrument, or any other Loan Document, extend the time for payment of said indebtedness or any part thereof, receive the payments thereon, release anyone liable on any of said indebtedness, accept a renewal note or notes therefor, release from the lien of this Instrument any part of the Property, take or receive other or additional security, reconvey any part of the Property, consent to any map or plan of the Property, consent to the granting of any easement, join in any extension or subordination agreement, and agree in writing with Mortgagor/Grantor to modify the rate of interest or period of amortization of the Note or change the amount of the monthly installments payable thereunder. Any actions taken by Lender pursuant to the terms of this paragraph 12 shall not affect the obligation of Mortgagor/Grantor or Mortgagor/Grantor's successors or assigns to pay the sums secured by this Instrument and to observe the covenants of Mortgagor/Grantor contained herein, shall not affect the guaranty of any person, corporation, partnership or other entity for payment of the indebtedness secured hereby, and shall not affect the lien or priority of lien hereof on the Property. Mortgagor/Grantor shall pay Lender a reasonable service charge, together with such title insurance premiums and attorney's fees as may be incurred at Lender's option, for any such action if taken at Mortgagor/Grantor's request.

13. FORBEARANCE BY LENDER NOT A WAIVER. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The acceptance by Lender of payment of any sum secured by this Instrument after the due date of such payment shall not be a waiver of Lender's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Instrument, nor shall Lender's receipt of any awards, proceeds or savings under paragraphs 9 or 11 hereof operate to cure or waive Mortgagor/Grantor's default in payment of sums secured by this Instrument.

14. ENCUMBRANCE CERTIFICATE. Mortgagor/Grantor shall, within ten business days of a written request from Lender, furnish Lender with a written statement, in form and substance acceptable to Lender, duly acknowledged, which shall set forth the sums secured by this Instrument and any right of set-off, counterclaim

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or other defense which exists against such sums and the obligations of this instrument.

10. UNIFORM COMMERCIAL CODE SECURITY AGREEMENT. This instrument is intended to be a security agreement pursuant to the Illinois Uniform Commercial Code for any of the items specified above as part of the Property which, under applicable law, may be subject to a security interest pursuant to the Illinois Uniform Commercial Code, and Mortgagor/Grantor hereby grants Lender a security interest in said items. Mortgagor/Grantor agrees that Lender may file this instrument, or a reproduction thereof, in the real estate records or other appropriate index, as a financing statement, for any of the items specified above as part of the Property. A reproduction of this instrument or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Mortgagor/Grantor agrees to execute and deliver to Lender upon Lender's request any financing statements, as well as extensions, renewals and amendments thereof, and reproductions of this instrument in such form as Lender may require to perfect a security interest with respect to said items. Mortgagor/Grantor shall pay all costs of filing such financing statement and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Lender may require. Without the prior written consent of Lender, Mortgagor/Grantor shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacements and additions thereto. Upon Mortgagor/Grantor's breach, in any material respect, of any covenant or agreement of Mortgagor/Grantor contained in this instrument, including the covenants to pay when due all sums secured by this instrument, Lender shall have the remedies of a secured party under the Illinois Uniform Commercial Code and, at Lender's option, may also invoke the remedies provided in paragraph 28 of this instrument (or such other remedies as may be provided at law or in equity) as to such items. In exercising any of said remedies, Lender may proceed against the items of real property and any items of personal property specified above as part of the Property separately or together and in any order whatsoever without in any way affecting the availability of Lender's remedies under the Uniform Commercial Code or of the remedies provided in paragraph 28 of this instrument.

This Mortgage is intended to be a financing statement within the purview of Section 9-402(6) of the Illinois Uniform Commercial Code with respect to the items specified above as part of the Property which, under applicable law, may be subject to a security interest pursuant to the Illinois Uniform Commercial Code, which goods are or may become fixtures relating to the Property. The addresses of Mortgagor/Grantor (Debtor) and Lender (Secured Party) are hereinafter set forth. This Mortgage is to be filed for record with the Recorder of Deeds of the County or Counties where

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the property are located. Mortgagor/Grantor is the record owner of the Property.

10. ~~RENDERING OF THE PROPERTY.~~ Mortgagor/Grantor shall comply with and observe, in all material respects, Mortgagor/Grantor's obligations as landlord under all present or future leases of the Property or any part thereof. Mortgagor/Grantor, at Lender's request, shall furnish Lender with certified copies of all leases now existing or hereafter made of all or any part of the Property, and all leases hereafter entered into which be in form and substance subject to the written approval of Lender. Mortgagor/Grantor shall not, without Lender's written consent, modify, surrender or terminate, either orally or in writing, any lease now existing or hereafter made of all or any part of the Property providing for a term of 2 years or more, permit an assignment or sublease of such lease without Lender's written consent, request or consent to the subordination of any lease of all or any part of the Property to any lien subordinate to this Instrument. If Mortgagor/Grantor becomes aware that any tenant proposes to do, or is doing, any act or thing which may give rise to any right of set-off against rent, Mortgagor/Grantor shall (i) take such steps as shall be reasonably calculated to prevent the accrual of any such set-off against rent, (ii) notify Lender thereof and of the amount of said set-offs, and (iii) within ten days after such accrual, take such steps as shall effectively discharge such set-off and shall assure that rents thereafter due shall continue to be payable without set-off or deduction.

Mortgagor/Grantor shall, within ten business days of a written request from Lender, furnish Lender with tenant estoppel certificates, in form and substance acceptable to Lender, duly executed by all tenants under leases of the Property, excluding tenants under occupancy leases with terms of less than 2 years, which shall certify such matters as Lender may require, including, without limitation, that the tenant's lease is in full force and effect without modification, that the tenant is paying rent on a current basis and that there exists no prepayment of rent for more than 30 days in advance and no right of set-off, counterclaim or other defense against the tenant's obligations or the landlord's enforcement under such lease; or shall state the reasons the foregoing certificate cannot be given.

Mortgagor/Grantor hereby assigns to Lender all leases now existing or hereafter made of all or any part of the Property and all security deposits made by tenants in connection with such leases of the Property. Lender shall have all of the rights and powers possessed by Mortgagor/Grantor as landlord under the leases and, upon Mortgagor/Grantor's breach of any covenant or agreement of Mortgagor/Grantor in this Instrument or any other Loan Document, Lender shall have the right to modify, extend or terminate such existing leases without, however, breaching same, and to execute new leases, in Lender's sole discretion. The

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assignment contained herein shall be self-operative, but Mortgagor/Grantor agrees to execute such further separate written assignment as may be required by Lender.

17. WAIVER; REMEDIES CUMULATIVE. No waiver of any term, provision, condition or covenant contained in this Instrument shall be effective unless set forth in a writing signed by Lender, and any such waiver shall be effective only to the extent set forth in such writing. No waiver by Lender of any term, provision, condition or covenant hereunder shall constitute or be deemed to be a waiver of or excuse the subsequent observance or performance of any of the terms, provisions, conditions, or covenants of this Instrument. The remedy provided in this Instrument is distinct and cumulative to all other rights or remedies under this Instrument afforded by law or equity, and may be exercised concurrently, independently, or successively, in any order whatsoever.

18. ACCELERATION IN CASE OF MORTGAGOR/GRANTOR'S INSOLVENCY. If Mortgagor/Grantor shall voluntarily file a petition under the Federal Bankruptcy Code, as such Code may from time to time be amended, or under any similar or successor Federal statute relating to bankruptcy, insolvency, arrangements or reorganizations, or under any state bankruptcy or insolvency act, or file an answer in an involuntary proceeding admitting insolvency or inability to pay debts, or if Mortgagor/Grantor shall fail to obtain a vacation or stay of involuntary proceedings brought for the reorganization, dissolution or liquidation of Mortgagor/Grantor within 60 days of the filing thereof, or if Mortgagor/Grantor shall be adjudged a bankrupt, or if a trustee or receiver shall be appointed for Mortgagor/Grantor or Mortgagor/Grantor's property or if the Property shall become subject to the jurisdiction of a Federal bankruptcy court or similar state court, or if Mortgagor/Grantor shall make an assignment for the benefit of Mortgagor/Grantor's creditors, or if there is an attachment, execution or other judicial seizure of any portion of Mortgagor/Grantor's assets and such seizure is not discharged within 60 days, then all of the sums secured by this Instrument shall thereupon automatically become and be immediately due and payable without prior notice to Mortgagor/Grantor and without the need for any declaration or other action by Lender or any other party, and Lender may invoke any and all remedies permitted at law or in equity, including those set forth in paragraph 16 of this Instrument. Any attorney's fees and other expenses incurred by Lender in connection with Mortgagor/Grantor's bankruptcy or any of the other aforesaid events shall be additional indebtedness of Mortgagor/Grantor secured by this Instrument pursuant to paragraph 8 hereof.

19. TRANSFERS OF THE PROPERTY OR BENEFICIAL INTERESTS IN MORTGAGOR/GRANTOR. On sale or transfer of (i) all or part of the real estate described in Exhibit A, or any legal or equitable

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interest therein including, without limiting the generality hereof, sale by land trust agreement or land installment contract or the grant of a mortgage or any leasehold interest containing an option to purchase, or (ii) all or any portion of the beneficial interest or power of direction in Mortgagor/Grantor if Mortgagor/Grantor is a land trust, (iii) any shares of capital stock of a corporate Mortgagor/Grantor, a corporation which is a beneficiary of a trustee Mortgagor/Grantor, a corporation which is a general partner in a partnership Mortgagor/Grantor, a corporation which is a general partner in a partnership beneficiary of a trustee Mortgagor/Grantor, or a corporation which is the owner of substantially all of the capital stock of any corporation described in this paragraph (other than the shares of capital stock of a corporate trustee or a corporation whose stock is publicly traded on a national securities exchange or on the National Association of Securities Dealers Automated Quotation System), or (iv) all or any part of the partnership interest of a partnership Mortgagor/Grantor or of a partnership beneficiary of a trustee Mortgagor/Grantor, 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, other than limited partnership interests (if Mortgagor/Grantor is not a natural person or persons but is a corporation, partnership, trust or other legal entity), without the written consent of Lender, Lender may, at Lender's option, declare all of the sums secured by this Instrument to be immediately due and payable, and Lender may invoke any remedies permitted by paragraph 13 of this Instrument.

20. NOTICE. Except for any notice required under applicable law to be given in another manner, (a) any notice to Mortgagor/Grantor provided for in this Instrument or in the Note shall be given by mailing such notice by certified mail, return receipt requested, or by depositing same with a national overnight courier service, addressed to Mortgagor/Grantor at Mortgagor/Grantor's address stated above or at such other address as Mortgagor/Grantor may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, or by depositing same with a national overnight courier service to Lender's address stated above or to such other address as Lender may designate by notice to Mortgagor/Grantor as provided herein. Any notice provided for in this Instrument or in the Note shall be deemed to have been given to Mortgagor/Grantor or Lender when given in the manner designated herein.

21. SUCCESSORS AND ASSIGNS BOUND; AMENDMENTS; JOINT AND SEVERAL LIABILITIES; CAPTIONS. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to the benefit of, the respective successors and assigns of Lender and Mortgagor/Grantor, subject to the provisions of paragraph 19 hereof. This Instrument may not be modified or amended in any

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resort other than by supplemental written agreement signed by the parties hereto. All covenants and agreements of Mortgagor/Grantor shall be joint and several. In exercising any rights hereunder or taking any actions provided herein, Lender may act through its employees, agents or independent contractors as authorized by Lender. The captions and headings of the paragraphs of this Instrument are for convenience only and are not to be used to interpret or define the provisions hereof.

20. GOVERNING LAW; SEVERABILITY. The state and local laws applicable to enforcement of this Instrument shall be the laws of the jurisdiction in which the Property is located. The foregoing covenants shall not limit the applicability of Federal law to this Instrument. In the event that any provision of this Instrument or the Note conflicts with applicable law, such conflict shall not affect the other provisions of this Instrument or the Note which can be given effect without the conflicting provisions, and to this end the provisions of this Instrument and the Note are declared to be severable. In the event that any applicable law limiting the amount of interest, attorneys' fees or other charges permitted to be collected from Mortgagor/Grantor is interpreted so that any charge provided for in this Instrument or in the Note, whether considered separately or together with other charges levied in connection with this Instrument and the Note, violates such law, and Mortgagor/Grantor is entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts, if any, previously paid to Lender in excess of the amounts payable to Lender pursuant to such charges as reduced shall be applied by Lender to reduce the principal of the indebtedness evidenced by the Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Mortgagor/Grantor has been violated, all indebtedness which is secured by this Instrument or evidenced by the Note and which constitutes interest, as well as all other charges levied in connection with such indebtedness which constitute interest, shall be deemed to be allocated and spread over the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest computed thereby is uniform throughout the stated term of the Note.

21. WAIVER OF STATUTE OF LIMITATIONS. Mortgagor/Grantor hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this Instrument or to any action brought to enforce the Note or any other obligation secured by this Instrument.

22. WAIVER OF MARSHALLING. Notwithstanding the existence of any other security interests in the Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Property shall be subjected to the remedies provided herein. Lender shall have the

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right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Mortgagor/Grantor, any party who consents to this Instrument and any party who now or hereafter acquires a security interest in the Property and who has actual or constructive notice hereof, hereby waives any and all rights to require the marshalling of assets in connection with the exercise of any of the remedies by applicable law or provided herein.

25. CONSTRUCTION LOAN PROVISIONS. Borrower agrees to comply with the covenants and conditions of the Construction Loan Agreement, which is hereby incorporated by reference in and made a part of this Instrument. All advances made by Lender pursuant to the Construction Loan Agreement shall be indebtedness of Mortgagor/Grantor secured by this Instrument, and such advances may be obligatory as provided in the Construction Loan Agreement. All sums disbursed by Lender prior to completion of the improvements to protect the security of this Instrument up to the principal amount of the Note shall be treated as disbursements pursuant to the Construction Loan Agreement. All such sums shall bear interest from the date of disbursement at the interest rate stated in the Note.

From time to time as Lender deems necessary to protect Lender's interests, Mortgagor/Grantor shall, upon request of Lender, execute and deliver to Lender, in such form as Lender shall direct, assignments of any and all rights or claims which relate to the construction of the Property and which Mortgagor/Grantor may have against any party supplying or who has supplied labor, materials or services in connection with the construction of the Property. In case of breach by Borrower of the covenants and conditions of the Construction Loan Agreement, Lender, at Lender's option, with or without entry upon the Property, (i) may invoke any of the rights or remedies provided in the Construction Loan Agreement, (ii) may accelerate the sums secured by this Instrument and invoke those remedies provided in paragraph 28 hereof, or (iii) may do both. If, after the commencement of amortization of the Note, the Note and this Instrument are sold by Lender (excluding an assignment to a related entity), from and after such sale the Construction Loan Agreement shall cease to be a part of this Instrument and Borrower shall not assert any right of set-off, counterclaim or other claim or defense arising out of or in connection with the Construction Loan Agreement against the obligations of the Note and this Instrument.

Lender shall not, in any way, act as the agent or trustee of Mortgagor/Grantor nor does it intend, in any way, to act for or on behalf of Mortgagor/Grantor with respect to disbursements under this paragraph 25. The purpose of Lender in making the requirements set forth in this paragraph and the Construction Loan Agreement is that of a lender protecting the priority of this Instrument and the value of its security. Lender assumes no

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responsibility for the completion of any improvements erected upon the Property, or the payment of bills or any other details in connection with the Property and improvements erected thereon, any plans and specifications in connection therewith, or Mortgagor/Grantor's relations with any contractors. This Instrument is not to be construed by Mortgagor/Grantor, or any party furnishing labor, materials or any other work or product for the improvement of the Property, as an agreement on the part of the lender to assure that any party will be paid for furnishing such labor, materials or any other work or product. And such party must look entirely to Mortgagor/Grantor for such payment. Lender assumes no responsibility for the architectural or structural soundness of any improvements to be erected upon the Property or for the approval of any plans and specifications in connection therewith or for any improvements as finally completed.

25. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. As part of the consideration for the indebtedness evidenced by the Note, Mortgagor/Grantor hereby absolutely and unconditionally assigns and transfers to Lender all the rents, issues, profits and revenues, which shall include all security deposits, of the Property, including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents, issues, profits and revenues of the Property are payable. Mortgagor/Grantor hereby authorizes Lender or Lender's agents to collect the aforesaid rents, issues, profits and revenues, and hereby directs each tenant of the Property to pay such rents, issues profits and revenues, to Lender or Lender's agents; provided, however, that prior to written notice given by Lender to Mortgagor/Grantor of the breach by Mortgagor/Grantor of any covenant or agreement of Mortgagor/Grantor in this Instrument, or any other loan document, Mortgagor/Grantor shall collect and receive all rents, issues, profits and revenues of the Property as trustee for the benefit of Lender and Mortgagor/Grantor, to apply the rents, issues, profits and revenues so collected to the sums secured by this Instrument in the order provided in paragraph 3 hereof with the balance, so long as no such breach has occurred, to the account of Mortgagor/Grantor, it being intended by Mortgagor/Grantor and Lender that this assignment of rents, issues, profits and revenues shall constitute an absolute assignment and not an assignment for additional security only. Upon giving of written notice by Lender to Mortgagor/Grantor of the breach by Mortgagor/Grantor of any covenant or agreement of Mortgagor/Grantor in this Instrument, or any other Loan Document, and without the necessity of Lender entering upon and taking and maintaining full control of the Property, in person, by agent or by court-appointed receiver, Lender shall immediately be entitled to possession of all rents, issues, profits and revenues of the Property as specified in this paragraph 26 as the same become due and payable, including but not limited to rents then due and unpaid, and all such rents, issues, profits and revenues shall

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immediately upon the giving of such notice be held by Mortgagor/Grantor as trustee for the benefit of Lender only; provided, however, that the written notice by Lender to Mortgagor/Grantor of the breach by Mortgagor/Grantor shall contain a statement that Lender exercises its rights to such rents, issues, profits and revenues. Mortgagor/Grantor agrees that commencing upon the giving of such written notice of Mortgagor/Grantor's breach by Lender to Mortgagor/Grantor, each tenant of the Property shall make such rents, issues, profits and revenues payable to and pay such rents, issues, profits and revenues to Lender or Lender's agents on Lender's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Mortgagor/Grantor.

Mortgagor/Grantor hereby covenants that Mortgagor/Grantor has not executed any prior assignment of said rents, issues, profits and revenues, that Mortgagor/Grantor has not performed, and will not perform, any acts or has not executed, and will not execute, any instrument which would prevent Lender from exercising its rights under this paragraph 26, and that at the time of execution of this Instrument there has been no anticipation or prepayment of any of the rents, issues, profits and revenues of the Property for more than one month prior to the due dates of such rents, issues, profits and revenues, or else Mortgagor/Grantor shall give to Lender a written statement setting forth any such anticipations or prepayments in complete detail. Mortgagor/Grantor covenants that Mortgagor/Grantor will not hereafter collect or accept payment of any rents, issues, profits and revenues of the Property more than one month prior to the due dates of such rents, issues, profits and revenues without the prior written consent of Lender. Mortgagor/Grantor further covenants that Mortgagor/Grantor will execute and deliver to Lender such further assignments of rents, issues, profits and revenues of the Property as Lender may from time to time request.

Upon Mortgagor/Grantor's breach of any covenant or agreement of Mortgagor/Grantor in this Instrument, Lender may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Lender's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents, issues, profits and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Instrument. In the event Lender elects to seek the appointment of a receiver for the Property upon Mortgagor/Grantor's breach of any covenant or agreement of Mortgagor/Grantor in this Instrument,

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Mortgagor/Grantor hereby expressly consents to the appointment of such receiver. Lender or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

All rents, issues, profits and revenues collected subsequent to delivery of written notice by Lender to Mortgagor/Grantor of the breach by Mortgagor/Grantor of any covenant or agreement of Mortgagor/Grantor in this Instrument shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, issues, profits and revenues, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Mortgagor/Grantor as lessor or landlord of the Property, and then to the sums secured by this Instrument. Lender or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents, issues, profits and revenues actually received. Lender shall not be liable to Mortgagor/Grantor, anyone claiming under or through Mortgagor/Grantor or anyone having an interest in the Property by reason of anything done or left undone by Lender under this paragraph 10, except in the event of gross negligence or willful misconduct of Lender.

If the rents, issues, profits and revenues of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, issues, profits and revenues, any funds expended by Lender for such purposes shall become indebtedness of Mortgagor/Grantor to Lender secured by this Instrument pursuant to paragraph 8 hereof. Unless Lender and Mortgagor/Grantor agree in writing to other terms of payment, such amounts shall be payable upon notice from Lender to Mortgagor/Grantor requesting payment thereof and shall bear interest from the date of dishursemment at the default interest rate stated in the Note.

Any expense upon and taking and maintaining of control of the Property by Lender or the receiver and any application of rents, issues, profits and revenues as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Lender under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as all indebtedness secured by this Instrument has been discharged in full.

11. FURTHER ASSURANCES. Mortgagor/Grantor will execute, acknowledge and deliver all and every such further assurances in law for the better assuring, conveying, assigning and transferring unto Lender all and singular the Property hereby conveyed, assigned or transferred or intended so to be or which

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Mortgagor/Grantor may be or hereafter become bound to convey, assign or transfer to Lender, in such manner as Lender shall require.

28. MORTGAGOR/GRANTOR'S BREACH; ACCELERATION; REMEDIES. Upon Mortgagor/Grantor's breach of any covenant or agreement of Mortgagor/Grantor in this Instrument or any other Loan Document, including, but not limited to: (a) failure of Mortgagor/Grantor to pay when due any amount payable under the Note, this Mortgage or any other Loan Document; (b) failure of Mortgagor/Grantor to respond, within the time frame set forth herein, or within 10 business days, whichever is greater, to any request from Lender for any estoppel certificates, books and records, or any other information, as required by any Loan Document; (c) failure of Mortgagor/Grantor to provide, within the time frame set forth herein, or within 10 days after receipt of written notice from Lender after such time frame has expired, any report, insurance policy, financial statements or any other documents required by any Loan Document to be given to Lender; (d) default by Guarantor (as said term is defined in the Guaranty) of any of the terms, covenants or conditions in the Guaranty; (e) default by Mortgagor/Grantor of any of the terms and conditions of that certain Mortgage Note and open-End Mortgage, Assignment of Rents and Security Agreement by Mortgagor/Grantor to Lender of even date herewith, said Mortgage Note in an amount not to exceed One Million and No/100 Dollars (\$1,000,000.00) or of any of the terms and conditions of any loan documents executed by Mortgagor/Grantor in connection therewith; or (f) default by Mortgagor/Grantor in the due observance or performance of any of the terms, covenants or conditions contained herein, other than as provided in (a), (b), (c), (d) or (e) above, for a period in excess of 30 days after receipt of written notice from Lender, then Lender at Lender's option may declare all of the sums secured by this Instrument to be immediately due and payable without further demand and may foreclose this Instrument by judicial proceeding and may invoke any other remedies permitted by applicable law or provided herein. Lender shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including, but not limited to, attorneys fees, costs of documentary evidence, abstracts and title reports.

29. WAIVER OF JURY TRIAL. The Mortgagor/Grantor hereby knowingly, voluntarily, and intentionally waives, to the extent allowed by law, any right which it may have to a trial by jury in respect of any litigation based upon the Note, this Mortgage, or any of the other Loan Documents or arising out of, under or in connection with any such Loan Documents, or any documents contemplated to be executed in conjunction herewith, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of any party. This provision is a material inducement for the Lender entering this Agreement.

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30. RELEASE. Upon payment of all sums secured by this Instrument, Lender shall discharge this Instrument. Mortgagor/Grantor shall pay Lender's reasonable costs incurred in discharging this Instrument. Mortgagor/Grantor shall be entitled to partial release(s) of this Instrument in accordance with the terms set forth in the Note and the Construction Loan Agreement.

31. CROSS DEFAULT. Should foreclosure proceedings be instituted against the property covered by this Instrument upon any other lien or claim whether alleged to be superior or junior to the lien of this Instrument, the Lender may at its option immediately upon institution of such suit or during the pendency thereof declare this Instrument and the indebtedness secured hereby due and payable forthwith and may at its option proceed to foreclose this Instrument.

32. CONSTRUCTION LOAN ADVANCES. This Instrument shall secure unpaid balances of obligatory loan advances to be made after this Instrument is delivered to the Recorder for record, said loan advances to be made pursuant to the provisions of the Construction Loan Agreement between Mortgagor/Grantor and Lender. The maximum amount of the unpaid balance of said obligatory loan advances, in the aggregate and exclusive of interest accrued thereon, which may be outstanding at any time is One Million Two Hundred Eighteen Thousand Seven Hundred Fifty and No/100 Dollars (\$1,218,750.00).

33. REPRESENTATIONS. As a material inducement to Lender to make the loan secured by this Instrument, Mortgagor/Grantor represents and warrants to Lender that as of the date hereof and at all times hereafter all documents, data, representations, exhibits, financial information and other material delivered by Mortgagor/Grantor to Lender in connection with the application and commitment for, and consummation of, said loan are true, correct and accurate, and may be relied upon by Lender notwithstanding any investigation heretofore or hereafter made by or on behalf of Lender. As of the date hereof, there has been no material adverse change in the business condition (financial or otherwise) or Property of the Mortgagor/Grantor from that shown in the aforementioned documents, data, representations, exhibits, financial information and other material delivered by Mortgagor/Grantor to Lender. No broker or other party is entitled to any fee or commission arising out of the application and commitment for, and consummation of, the loan secured by this Instrument which has not and will not be paid and provided for by Mortgagor/Grantor, and Mortgagor/Grantor agrees to indemnify and hold harmless Lender from and against any and all claims or liabilities for any such fees or commissions.

34. MANAGEMENT AND DEFENSE OF PROPERTY. Mortgagor/Grantor (a) shall provide for professional management of the Property by a property manager satisfactory to Lender, management on the date of this Instrument being satisfactory to

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Lender, pursuant to a contract approved by Lender in writing, unless such requirements shall be waived by Lender in writing, and (b) shall give notice in writing to Lender of, and unless otherwise directed in writing by Lender, appear in and defend any action or proceeding purporting to affect the Property or the security of this Instrument or the rights or powers of Lender.

35. ENVIRONMENTAL MATTERS. (a) If (i) any hazardous materials, defined herein to include any toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of "hazardous substances", "hazardous waste", "hazardous materials" or "toxic substances" under any Hazardous Materials Laws (which include without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, and the Occupational Health and Safety Act and any and all state environmental laws, and any and all regulations promulgated thereunder, all as now or hereafter in effect), become present in or on the Property other than those for which Lender has given prior written approval and which are licensed and approved in accordance with all applicable laws and regulations and are in compliance with the terms of Lender's approval, (ii) there is a discharge, deposit, injection, dumping, spilling, leaking, incineration or placing of any hazardous materials into or on the Property, or (iii) the use, generation, treatment, storage or disposal of any hazardous materials on the Property is in violation of any applicable law, rule, ordinance or regulation, then such event shall constitute a default under this Instrument and the Note, subject however to the limitations of subparagraph (b) hereof.

(b) So long as Mortgagor/Grantor subsequent to its discovering that hazardous material has become present on the Property (i) promptly advises Lender in writing of any notice of or of the presence of any hazardous materials in or on the Property; (ii) complies with any notice requirements imposed by any applicable laws, ordinances, rules and regulations; (iii) promptly arranges for the clean-up of such hazardous materials and the containment of hazardous materials where there is a threat of release; (iv) demonstrates to Lender's satisfaction that Mortgagor/Grantor and/or tenant, as appropriate, has the financial resources to perform the clean-up and containment; and (v) diligently pursues the clean-up and containment to completion, Lender agrees not to foreclose this Instrument or accelerate payment under the Note, unless in Lender's judgment the exercise of any such remedies is necessary to protect the security of the Loan, or to protect Lender from incurring liability under any laws, ordinances, rules and regulations applicable to hazardous or toxic waste or materials.

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(c) Mortgagor/Grantor shall be solely responsible for, and shall indemnify and hold harmless Lender and its successors and assigns from and against, any loss, damage, cost, expense, or liability arising out of the presence (whether prior to or during the term of the loan secured by this Instrument) of hazardous materials on, under or about the Property, including, without limitation: (i) all foreseeable consequential damages; (ii) the costs of any required or necessary repair, clean-up or detoxification of the Property, including the soil and ground water thereof, and the preparation and implementation of any closure, remedial or other required plans; (iii) damage to any natural resources; and (iv) all reasonable costs and expenses incurred by Lender in connection with clauses (i), (ii) and (iii), including but not limited to reasonable attorneys' and consultants' fees. It is hereby expressly understood that, notwithstanding anything contained in any of the Loan Documents to the contrary, the provisions of this Subparagraph 35(c) shall survive the release of this Instrument and repayment of all sums due and owing under the Mortgage Note.

(d) Any costs or expenses incurred by Lender for which Mortgagor/Grantor is responsible or for which Mortgagor/Grantor has indemnified Lender shall be paid to Lender on demand, and failing prompt reimbursement shall be added to the indebtedness secured by this Instrument and earn interest at the default rate until paid in full.

36. THE LOAN DOCUMENTS. The Note secured by this Instrument also is secured by other security instruments and agreements, including but not limited to an Assignment of Lease or Leases, assigning, without limitation, the Lessor's interest in and under all leases covering all or any portion of the Property and a Construction Loan Agreement, both of even date herewith, executed and delivered by Mortgagor/Grantor to Lender. The Note, this Instrument, the Assignment of Lease or Leases, the Construction Loan Agreement and all other documents securing all or any portion of the indebtedness, whether or not referred to in this paragraph are referred to herein collectively as the "Loan Documents."

37. INDEPENDENCE OF PROPERTY. Mortgagor/Grantor shall not permit any building or other improvements on premises not subject to the lien of this Instrument to rely on the Property or any part thereof or any interest therein to fulfill any municipal or governmental requirement for the existence of such premises or such building or improvement; and no building or other improvement on the Property shall rely on any premises not subject to the lien of this Instrument or any interest therein to fulfill any governmental or municipal requirement. Mortgagor/Grantor shall not by act or omission impair the integrity of the Property as subdivided zoning lot or lots separate and apart from all other premises.

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38. VARIATION IN PRONOUNS. All the terms and words used in this Instrument, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context or sense of this Instrument or any paragraph or clause herein may require, the same as if such words had been fully and properly written in the number and gender.

39. SURVIVAL OF LOAN COMMITMENT. Mortgagor/Grantor acknowledges that the indebtedness secured hereby was incurred pursuant to a certain commitment letter of Lender dated March 6, 1990, which was accepted by Mortgagor/Grantor on March 14, 1990. Mortgagor/Grantor agrees that such commitment letter shall not be considered merged herein but shall continue in full force and effect to the extent not inconsistent with the terms hereof.

40. SEVERABILITY OF PROVISIONS. If any one or more of the covenants, agreements, provisions or terms in the Note, or in this Mortgage or in any other Loan Document shall be for any reason whatsoever held invalid, illegal or unenforceable in any respect, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms contained herein or in the Note or in any other Loan Document and shall in no way affect the validity or enforceability of the other provisions of this Mortgage, the Note, or any other Loan Document or the rights of the Lender.

41. WAIVER OF RIGHT OF REDEMPTION AND OTHER RIGHTS.

To the full extent permitted by law, Mortgagor/Grantor hereby covenants and agrees that it will not at any time insist upon or plead, or in any manner whatsoever 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 Property, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provisions herein contained, or to any 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 marshalling thereof, upon foreclosure sale or other enforcement hereof. To the full extent permitted by law, Mortgagor/Grantor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Mortgagor/Grantor and on behalf of each and every person acquiring any interest in or title to the Property subsequent to the date hereof, it being the intent hereof that any and all such right of redemption of Mortgagor/Grantor, and of all other persons, are and shall be

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deemed to be hereby waived to the full extent permitted by applicable law. To the full extent permitted by law, Mortgagor/Grantor agrees that it will not, by involving or utilizing any applicable law or laws or otherwise, hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Lender, but will suffer and permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. To the full extent permitted by law, Mortgagor/Grantor hereby agrees that no action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Note.

42. BUSINESS LOAN.

Mortgagor/Grantor certifies and agrees that the proceeds of the Note will be used for the purposes specified in Illinois Revised Statutes, Chapter 17, Section 6404, and that the principal obligation secured hereby constitutes a "business loan" coming within the definition and purview of said section.

43. TIME IS OF THE ESSENCE.

Time is of the essence of the Note, this Mortgage, and all of the Loan Documents.

44. TRUSTEE'S EXCULPATORY CLAUSE.

This Mortgage is executed by **CAPITOL BANK & TRUST COMPANY**, not personally, but as Trustees as aforesaid, in the exercise of the power and authority conferred upon and vested in them as such Trustees (and said Trustees hereby warrants in their individual capacity that they possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability on said Trustees personally to pay the Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant, representation, agreement or condition, either express or implied herein contained, or with regard to any warranty contained in this Mortgage except the warranty made in this Paragraph, all such liability, if any, being expressly waived by Lender and by every person now or hereafter claiming any right or security hereunder; provided that nothing herein contained shall be construed in any way so as to affect or impair the lien of this Mortgage or Lender's right to the foreclosure thereof, or construed in any way so as to limit or restrict any of the rights and remedies of Lender in any such foreclosure proceedings or other enforcement of the payment of the amounts secured hereby out of and from the security given therefor in the manner provided herein, or construed in any way so as to limit or restrict any of the rights and remedies of

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Mortgagor/Grantor under any other document or instrument evidencing, securing or guarantying the amounts due hereunder.

45. ADDITIONAL COVENANTS. None.

IN WITNESS WHEREOF, Mortgagor/Grantor has executed this Instrument or has cause the same to be executed by its representatives thereunto duly authorized.

MORTGAGOR/GRANTOR

CAPITOL BANK & TRUST
COMPANY, not
personally but as Trustee
as aforesaid

ATTEST:

By: _____
Name: Sharon E. Charles
Title: Assistant Trust Officer

By: _____
Name: John E. Houlihan
Title: Sr. Vice Pres. & Trust Officer

THIS INSTRUMENT PREPARED BY AND RETURN TO:

Alan D. Pearlman
SCHAIN, FIRSEL & BURNEY, LTD.
222 North LaSalle St.
Suite 1910
Chicago, Illinois 60601
(312) 332-0200

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EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL 1:

THE SOUTH HALF OF THAT PART OF THE PREMISES KNOWN AS ALL THAT PART OF THE SOUTHWEST QUARTER OF SECTION 27 AND THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS BEGINNING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 27; THENCE NORTH 1908 FEET; THENCE WEST 2360 FEET TO THE CENTER OF A 3 ROD ROAD; THENCE SOUTH ALONG THE CENTER LINE OF SAID ROAD 3475 FEET TO THE SOUTH LINE OF AN EAST AND WEST ROAD; THENCE EAST ALONG THE SOUTH LINE OF SAID ROAD 2360 FEET TO THE EAST LINE OF THE NORTHWEST QUARTER OF SECTION 34; THENCE NORTH ALONG THE QUARTER SECTION LINE 1562.5 FEET TO THE POINT OF BEGINNING DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE WEST LINE OF SAID PREMISES 1379 FEET NORTH OF THE SOUTHWEST CORNER THEREOF; THENCE EAST ON A LINE PARALLEL WITH THE SOUTH LINE OF SAID PREMISES 586 FEET; THENCE NORTH ON A LINE PARALLEL WITH THE WEST LINE OF SAID PREMISES, 371.67 FEET; THENCE WEST ON A LINE PARALLEL WITH THE SOUTH LINE OF SAID PREMISES, 586 FEET TO THE WEST LINE THEREOF; THENCE SOUTH ON SAID WEST LINE 371.67 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF THE PREMISES KNOWN AS ALL OF THAT PART OF THE SOUTHWEST QUARTER OF SECTION 27 AND THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS BEGINNING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 27, THENCE NORTH 1908 FEET; THENCE WEST 2360 FEET TO THE CENTER OF A 3 ROD ROAD, THENCE SOUTH ALONG THE CENTER LINE OF SAID ROAD, 3475 FEET TO THE SOUTH LINE OF AN EAST AND WEST ROAD, THENCE EAST ALONG THE SOUTH LINE OF SAID ROAD, 2360 FEET TO THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 34, THENCE NORTH ALONG THE QUARTER SECTION LINE, 1562.5 FEET TO THE POINT OF BEGINNING DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE WEST LINE OF SAID PREMISES 1338.03 FEET SOUTH OF THE NORTHWEST CORNER THEREOF, THENCE EAST PARALLEL WITH THE NORTH LINE OF SAID PREMISES 586 FEET; THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID PREMISES 385.18 FEET; THENCE WEST PARALLEL WITH THE NORTH LINE OF SAID PREMISES 586 FEET TO THE WEST LINE THEREOF; THENCE NORTH ON THE WEST LINE OF SAID PREMISES 386.30 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THE NORTH HALF OF THAT PART OF THE PREMISES KNOWN AS ALL THAT PART OF THE SOUTHWEST QUARTER OF SECTION 27, AND THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS BEGINNING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 27, THENCE NORTH 1908 FEET, THENCE WEST 2360 FEET TO THE CENTER OF A 3 ROD ROAD; THENCE SOUTH ALONG THE CENTER LINE OF SAID ROAD, 3475 FEET TO THE SOUTH LINE OF AN EAST AND WEST ROAD; THENCE EAST ALONG THE SOUTH LINE OF

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SAID ROAD, 2360 FEET TO THE EAST LINE OF THE NORTHWEST QUARTER OF SECTION 34, THENCE NORTH ALONG THE QUARTER SECTION LINE 1562.5 FEET TO THE PLACE OF BEGINNING, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE WEST LINE OF SAID PREMISES 1379 FEET NORTH OF THE SOUTHWEST CORNER THEREOF, THENCE EAST ON A LINE PARALLEL WITH THE SOUTH LINE OF SAID PREMISES 586 FEET, THENCE NORTH ON A LINE PARALLEL WITH THE WEST LINE OF SAID PREMISES 371.67 FEET, THENCE WEST ON A LINE PARALLEL WITH THE SOUTH LINE OF SAID PREMISES 586 FEET TO THE WEST LINE THEREOF, THENCE SOUTH ON SAID WEST LINE 371.67 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ADP/EXHAGETT.LSE

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