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Commercial Construction Mortgage
Land Trust

92283880

JUNIOR MORTGAGE

THIS INDENTURE, made April 24, 1992 between FIRST STATE BANK AND TRUST COMPANY OF PARK RIDGE, as Trustee under Trust Agreement dated March 13, 1991, and known as Trust No. 2206 (herein referred to as "Mortgagor") and Bank of Buffalo Grove, an Illinois banking corporation (herein referred to as "Mortgagee") witnesseth:

807-16
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THAT WHEREAS, pursuant to that certain Loan Agreement of even date herewith by and among Mortgagor, the owner of 100% of the beneficial interest of the Mortgagor (the "Beneficiary"), the General Partner of the Beneficiary, the principal shareholder of the General Partner and the Bank (the "Loan Agreement"), Mortgagor has concurrently herewith executed a Revolving Mortgage Note (herein referred to as the "Note") bearing even date herewith in the principal sum of Nine Hundred Thousand and no/100 Dollars (\$900,000.00) made payable to and delivered to Mortgagee, in and by which Note, Mortgagor promises to pay on or before April 24, 1994 the said principal sum with interest as set forth in the Note.

All such payments on account of the indebtedness evidenced by said Note to be first applied to interest on the unpaid principal balance and the remainder to principal. All of said principal and interest being made payable at the principal office of the Mortgagee in Buffalo Grove, Illinois.

NOW, THEREFORE, the Mortgagor to secure the payment of said Note in accordance with its terms including any future advances which are more fully described in paragraph 28 hereof and each of which shall have the same priority as any advances made on the effective date of this Mortgage, the terms of the Loan Agreement and the terms, provisions and limitations of this Mortgage, and all extensions, modifications, and renewals thereof, together with interest and charges as therein provided, and the performance of the covenants and agreements contained herein, in the Loan Agreement and all other loan documents, executed pursuant thereto, by the Mortgagor to be performed, and also in consideration of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, do by these presents Mortgage and Warrant to the Mortgagee, its successors and assigns, the following described Real Estate in the County of Cook and State of Illinois, to wit:

See attached Exhibit "A"

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

RECORDING FEE \$50.50
TRAK 100-100000000
B 100-283880
COOK COUNTY RECORDER

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PIN: =01-12-303-003
 =01-12-303-006
 =01-12-403-003
 =01-12-403-004

This Mortgage secures an obligation incurred for the purpose of the completion of site improvements and construction of single family homes on the land, and constitutes a "Construction Mortgage" within the meaning of Section 9-133(i)(c) of the Illinois Uniform Commercial Code.

TOGETHER with all improvements thereon situate and which may hereafter be erected or placed thereon, and all appurtenances, rights, royalties, mineral, oil and gas rights, and easements thereunto belonging and the rents, issues and profits thereof, which are hereby expressly conveyed and assigned to the Mortgagee as additional security and as an equal and primary fund with the property herein conveyed for the repayment of the moneys secured by this Mortgage, and any and all appurtenances, fixtures and equipment in or that may at any time be placed in any building now or hereafter standing on said premises.

It is mutually covenanted and agreed, by and between the parties hereto that, in addition to all other things which at law or by convention are regarded as fixtures, and specifically but not by way of limitation all shades and awnings, screens and carpets, shrubbery, gas and electric fixtures, radiators, heaters, engines and machinery, boilers, ranges, elevators and motors, bathtubs, sinks, water-closets, casins, pipes, faucets and other plumbing and heating fixtures, mirrors, mantels, refrigerating plants, iceboxes, electric refrigerators, air conditioning apparatus, cooking apparatus and appurtenances, whether or not the same are or shall be attached to said building by nails, screws, bolts, pipe connections, masonry, or in any other manner whatsoever, which are now or hereafter to be used upon said described premises shall be conclusively deemed to be "fixtures" and an accession to the freehold and a part of the realty, whether affixed or annexed or not, and conveyed by this Mortgage; and all the estate, right, title or interest of the said Mortgagor in and to said premises, property, improvements, furniture, apparatus, furnishings and fixtures, are hereby expressly conveyed, assigned and pledged; and as to any of the property aforesaid, which does not so form a part and parcel of the Real Estate or does not constitute a "fixture" as such term is defined in the Uniform Commercial Code. This Mortgage is hereby deemed to be as well a Security Agreement under the Uniform Commercial Code for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to the Mortgagee as Secured Party (as such term is defined in the Uniform Commercial Code).

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TO HAVE AND TO HOLD the above described premises with the appurtenances and fixtures thereto appertaining or belonging unto the Mortgagee, its successors and assigns, forever, for the purposes herein set forth and for the security of the said obligations hereinbefore described, and interest thereon and free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois, which said rights and benefits the said Mortgagor does hereby expressly release and waive.

In addition, the Mortgagor covenants with the Mortgagee as follows:

1. Mortgagor shall promptly pay when due without set-off, recoupment, or deduction, the principal and interest on the indebtedness evidenced by the Note and any late charges as provided in the Note or in the Loan Agreement, if any.

2. Mortgagor shall (1) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the premises which may become damaged or be destroyed; (2) keep said premises in good condition and repair, without waste, and free from mechanic's or other liens or claims for lien not expressly subordinated to the lien hereof; (3) subject to Mortgagor's right to contest taxes, assessments, charges and claims as provided for in paragraph 3 below, pay when due any indebtedness which may be secured by a lien or charge on the premises superior to the lien hereof (other than the first mortgage lien in favor of Mortgagee that secures the \$2,325,000 loan made by the Mortgagee to Mortgagor), and, upon request, exhibit satisfactory evidence of the discharge of such prior lien to Mortgagee; (4) complete within a reasonable time any building or buildings now or at any time in process of erection upon said premises; (5) comply with all requirements of law or municipal ordinances with respect to the premises and the use thereof; (6) make no material alterations, other than the site improvements or construction of townhomes in accordance with the plans and specifications previously supplied to Mortgagee, in the premises except as required by law or municipal ordinance.

3. Mortgagor shall immediately pay, when first due and owing, all general taxes, special taxes, special assessments, water charges, sewer service charges, claims of contractors, subcontractors and suppliers and other charges which may be levied against the premises, and furnish to Mortgagee duplicate receipts thereof within thirty (30) days after payment thereof. It is understood and agreed however, that Mortgagor shall have the right to contest in good faith any such taxes, assessments, charges and claims in accordance with the applicable statute, provided that Mortgagor provides sufficient security satisfactory to Mortgagee for the payment thereof.

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4. Mortgagor shall keep all buildings and improvements now or hereafter situated on said premises insured against loss or damage by fire, lightning and such other risks and hazards that are insurable under the present and future forms of all-risk insurance policies in accordance with the terms and conditions of the Loan Agreement. If the insurance policies referenced herein contain a co-insurance clause or provision, Mortgagor agrees to maintain insurance coverage which is at all times in compliance with said clause or provision.

5. In case of loss by fire or other casualty, the Mortgagee (or after entry of decree of foreclosure, purchaser at the sale, or the decree creditor, as the case may be) is hereby authorized either (i) to settle and adjust any claim under such insurance policies without consent of Mortgagor, or (ii) to allow Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss. In any case Mortgagee is authorized to collect and receipt for any such insurance money. In the event Mortgagee elects to apply said insurance proceeds in reduction of the indebtedness secured hereby, all expenses and fees of collection shall first be deducted and paid to Mortgagee, and it is further covenanted and agreed that should the net insurance proceeds be insufficient to pay the then existing indebtedness secured hereby, together with all accrued interest thereon, fees and charges, Mortgagee may, at its sole election, declare the entire unpaid balance of the debt secured hereby to be immediately due and payable, and the failure of the payment thereof shall be a default hereunder.

However, if the loss by fire or other casualty does not exceed Fifty Thousand Dollars (\$50,000.00), without the consent of Mortgagee, Mortgagor shall be authorized: (i) to settle and adjust any claim and; (ii) elect to use such insurance proceeds to be applied to either pay for the cost of rebuilding or restoring of the building and improvements on the premises, or applying such proceeds in reduction of the indebtedness secured hereby.

In the event insurance proceeds are applied to pay for the cost of rebuilding or restoration of the building and improvements on the premises, such funds will be made available for disbursement by Mortgagee.

In the event such proceeds are applied toward restoration or rebuilding, the buildings and improvements shall be so restored or rebuilt as to be of at least equal value and substantially the same character as prior to such damage or destruction. Such proceeds shall be made available, from time to time, upon the Mortgagee being furnished with satisfactory evidence of the estimated cost of completion thereof and with such architect's certificates, waivers of lien, contractor's sworn statements and other evidence of cost and of payments,

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including insurance against mechanic's liens and/or a performance bond or bonds in form satisfactory to Mortgagee which shall be the sole or a dual obligee, and which bonds shall be written with such surety company or companies as may be satisfactory to Mortgagee. All plans and specifications for such rebuilding or restoration shall be presented to and approved by Mortgagee prior to the commencement of any such repair or rebuilding. At all times the undisbursed balance of said proceeds remaining in the hands of the Mortgagee shall be at least sufficient to pay for the cost of completion of the work free and clear of liens.

6. In addition to the monthly payments required under the Note and Loan Agreement, in the event of a default hereunder and when requested by Mortgagee, Mortgagor shall pay to the Mortgagee monthly at the time when such monthly payment is payable, an amount equal to one-twelfth (1/12) of the annual premiums for such fire and extended coverage insurance and such annual real estate taxes, water and sewer rents, special assessments, and any other tax, assessment, claim, lien, or encumbrance which may at any time be or become a lien upon the Premises prior to the lien of this Mortgage, and on demand from time to time shall pay to the Mortgagee additional sums necessary to pay such premiums and other payments, all as estimated by the Mortgagee, the amounts so paid to be security for such premiums and other payments and to be used in payment thereof. At the Mortgagee's option, the Mortgagee may make such payments available to the Mortgagor for the payments required under Sections 3 and 4, or may make such payments on the Mortgagor's behalf. All amounts so paid shall be deemed to be trust funds, but no interest shall be payable thereon. If, pursuant to any provisions of this Mortgage, the whole amount of said principal debt remaining becomes due and payable, the Mortgagee shall have the right at its election to apply any amounts so held against the entire indebtedness secured hereby.

7. In the event that the Mortgagor fails to make any payment or perform any act required hereunder after the expiration of any applicable cure periods, Mortgagee may, but need not, make any payment or perform any act hereinbefore required of Mortgagor in any form and manner deemed expedient, and may, but need not, 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 said premises or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees, and other moneys advanced by Mortgagee to protect the mortgaged premises and the lien hereof, shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the Post Maturity Rate, as

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defined in the Loan Agreement, unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default hereunder on the part of Mortgagor.

8. The Mortgagee making any payment hereby authorized relating to taxes or assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien, or title or claim thereof.

9. At the option of Mortgagee, and without notice to Mortgagor, all unpaid indebtedness secured by this Mortgage shall, notwithstanding anything in the Note, Loan Agreement or in this Mortgage to the contrary, become due and payable (a) immediately in the case of an Event of Default under the terms of the Loan Agreement; (b) immediately in the event Mortgagor shall, without the prior consent of Mortgagee, other than to purchasers in the ordinary course of business of lots or homes on the premises as provided for in the Loan Agreement, sell, transfer, convey, encumber, or assign the title to all or any portion of the premises, or the rents, issues, or profits therefrom, whether by operation of law, voluntarily or otherwise, or shall contract to do any of the foregoing, or in the event the owner, or if there be more than one, any of the owners, of any beneficial interest in any trust of which Mortgagor is title holder (any such owner being herein referred to as a "Beneficial Owner") shall, without the prior written consent of Mortgagee, transfer or assign all or any portion of such beneficial interest other than to purchasers of limited partnership interests in the Beneficial Owner, or the rents, issues, or profits from the premises (including, without being limited to, a collateral assignment), whether by operation of law, voluntarily or otherwise, or shall contract to do any of the foregoing; (c) Mortgagor shall fail to perform any of the promises to be performed by it hereunder which failure continues for thirty (30) days after notice has been given to Mortgagor, unless such failure, is not curable regardless of the passage of time. If Mortgagor, despite making a good faith effort to cure the failure is unable to do so within thirty (30) days, Mortgagee will grant Mortgagor an additional thirty (30) days to cure such failure; or (d) there shall be a material breach or falsity of any representations of Mortgagor hereunder.

10. When the indebtedness hereby secured shall become due whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures

and expenses relating thereto which may be paid or incurred by or on behalf of Mortgagee, including but not limited to attorneys' fees, Mortgagee's fees, appraiser's fees, broker's commissions, advertising expenses, 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 abstracts of title, title searches and examinations, guarantee policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the premises. All expenditures and expenses of the nature in this paragraph mentioned shall become so much additional indebtedness secured hereby and immediately due and payable, with interest thereon at the Post-Maturity Rate as defined in the Loan Agreement (unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law), when paid or incurred by Mortgagee in connection with (a) any proceeding, including probate and bankruptcy proceedings, to which either of them shall be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any indebtedness hereby secured; (b) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced; or (c) preparations for the defense of any threatened suit or proceeding which might affect the premises or the security hereof, whether or not actually commenced.

11. 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, but not limited to, all such items as are mentioned in the preceding paragraph hereof; second, all other items which under the terms hereof, constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, all principal and interest, remaining unpaid on the Note; fourth, any overplus to Mortgagor, its successors or assigns, as their rights may appear.

12. Upon, or at any time after the filing of a bill to foreclose this Mortgage, the court in which such bill is filed may appoint a receiver of said premises. Such appointment may be made without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the premises or whether the same shall be then occupied as a homestead or not during the pendency of such foreclosure suit and the Mortgagee may be appointed as such receiver. The court from time to time may authorize the receiver to apply the net income in his hands in

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payment in whole or in part of: (1) the indebtedness secured hereby, or any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; (2) the deficiency in case of a sale and deficiency.

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

14. Mortgagee upon reasonable notice to Borrower, shall have the right to inspect the premises at all reasonable times and access thereto shall be permitted for that purpose.

15. As further security for payment of the indebtedness and performance of the obligations, covenants, and agreements secured hereby, the Mortgagor hereby assigns to the Mortgagee all leases already in existence and to be created in the future, together with all rents to become due and under existing or future leases. This assignment, however, shall be operative only in the event of the occurrence of a default hereunder which has not been cured, or an Event of Default under the Loan Agreement or other instrument collateral hereto; and in any such case the Mortgagor hereby confers on the Mortgagee the exclusive power, to be used or not be used in its sole discretion, to act as agent, or to appoint a third person to act as agent for the Mortgagor, with power to take possession of, and collect all rents arising from, the premises and apply such rents, at the option of the Mortgagee, to the payment of the mortgage debt, taxes, costs of maintenance, repairs, expenses incident to managing, and other expenses, in such order of priority as the Mortgagee may in its sole discretion determine, and to turn any balance remaining over to the Mortgagor; but such collection of rents shall not operate an affirmation of the tenant or lease in the event the Mortgagor's title to the Premises should be acquired by the Mortgagee. The Mortgagee shall be liable to account only for rents and profits actually received by the Mortgagee. In exercising any of the powers contained in this section, the Mortgagee may also take possession of, and for these purposes use, any and all personal property contained in the Premises and used by the Mortgagor in the rental or leasing thereof or any part thereof.

16. In case the premises, or any part thereof, shall be taken by eminent domain or condemnation, the Mortgagee is hereby empowered to collect and receive all compensation which may be paid for any property taken or for damages to any property not taken and all compensation so received shall be forthwith applied by the Mortgagee as it may elect, to the immediate reduction of the indebtedness secured hereby, or to the repair

and restoration of any property so damaged, provided that any excess over the amount of the indebtedness shall be delivered to the Mortgagors or their assignee.

17. In addition to all other rights of the Mortgagee whether contained herein or in other agreements with the Mortgagor, in case of an Event of Default herein or in the Loan Agreement, the Mortgagee shall be fully and completely entitled and authorized, by the Mortgagor, without any further consent or authorization, to expend all sums of money which in the Mortgagee's judgment and discretion shall be reasonably necessary, for the following purposes:

- (a) To protect and preserve the premises;
- (b) To complete the Improvements and Homes and to pay and satisfy all liabilities incurred for materials and labor employed in such construction;
- (c) To pay for all work and materials already provided and furnished to the Mortgagor, the Mortgagee being authorized either to continue the construction under outstanding contracts of the Mortgagor or to create independent contracts for such completion.

In consideration of the Mortgagee making advances hereunder, the Mortgagor hereby appoints the Mortgagee as its agent for the purpose of making the foregoing expenditures and for the purpose of carrying out in every respect the authority herein granted, and upon the completion of the Improvements and Homes to execute any and all documentation in the name of and on behalf of the Mortgagor relating to the sale or leasing of the premises, and to use the proceeds of said sale or leases to apply to the indebtedness evidenced by the Note.

18. Mortgagee has no duty to examine the title, location, existence, or condition of the premises, nor shall Mortgagee be obligated to record this Mortgage or to exercise any power herein given unless expressly obligated by the terms hereof, nor be liable for any acts or omissions hereunder.

19. Mortgagee shall release this Mortgage and the lien thereof by proper instrument upon presentation of satisfactory evidence that all indebtedness secured by this Mortgage has been fully paid. To the extent that unimproved lots or Homes that are constructed on the premises are sold, the Mortgagee will partially release the lien of this Mortgage and Mortgagor will thereafter have no responsibility hereunder with respect to such portions of the premises thereby released, provided that Mortgagee receives the sale proceeds as provided for in the Loan Agreement.

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20. This Mortgage and all provisions hereof, shall extend to and be binding upon Mortgagor and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note, Loan Agreement or this Mortgage. The use of any gender applies to all genders. If more than one party is named as the Mortgagor, the obligation hereunder of each such party is joint and several. Mortgagee may assign all or any portion of its rights and interests under this Mortgage without the consent of Mortgagor.

21. In the event of the passage after the date of this Mortgage of any law changing in any way the laws now in force for the taxation of mortgages, or debts secured thereby, or the manner of operation of such taxes, so as to affect the interest of Bank, then and in such event Mortgagor shall pay the full amount of such taxes.

22. To the fullest extent permitted by law, Mortgagor shall not and will not at any time apply for or in any manner attempt to claim or avail itself of any homestead, appraisal, valuation, or any so-called "moratorium laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. To the fullest extent permitted by law, Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the premises sold as an entirety. To the fullest extent permitted by law, Mortgagor hereby waives any and all rights of redemption from the foreclosure, for itself, the trust estate, and all persons beneficially interested therein, and each and every person acquiring any interest in or title to the premises described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by Illinois law.

23. This Mortgage shall be governed by and interpreted according to the laws of the State of Illinois. In the event any provision of the Mortgage, Loan Agreement or the Note, conflict with said law, such conflict shall not affect any other provision of the Mortgage, Loan Agreement or the Note which can be given effect without reference to the conflict. In this regard, the provisions of the Mortgage, Loan Agreement and the Note shall be deemed severable. In the event of any conflict or inconsistency between the terms and conditions of the Mortgage and the Loan Agreement, the terms and conditions of the Loan Agreement shall govern.

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24. Any notice, demand, request or other communications desired to be given or required pursuant to the terms hereof shall be in writing and shall be as provided for in the Loan Agreement.

25. The rights and remedies of Mortgagee under this Mortgage are cumulative and are not in lieu of, but are in addition to any other rights or remedies which Mortgagee shall have under the Loan Agreement, Note or any other instrument constituting security therefor, or at law or in equity.

26. This Mortgage shall not be amended, modified or changed nor shall any waiver of any provision hereof be effective as against Mortgagee, except only by an instrument in writing and signed by the party against whom enforcement of any waiver, amendment, change, modification or discharge is sought.

27. Mortgagor, at its expense, will execute, acknowledge and deliver such instruments and take such actions as Mortgagee from time to time may reasonably request to carry out the intent and purpose of this Mortgage.

28. Subject to the provisions of the Loan Agreement, the holder of the Note secured by this Mortgage is obligated to make advances of principal as requested from time to time for a period of two (2) years from the date of the Note unless the amount when added to the then outstanding principal balance would exceed the aggregate principal which may be advanced under the Note, or there shall then exist an event of default under the terms of the Note, Mortgage or Loan Agreement, or there shall then exist a federal, state, or local statute, law or ordinance or a decision by any court which reasonably adversely affects the priority or validity of the Note or this Mortgage or the Mortgagor shall no longer own the premises.

29. Other than Hazardous Materials that were located on the premises prior to Mortgagor owning the premises, Mortgagor shall keep or cause the premises to be kept free of Hazardous Materials not in compliance with all applicable federal, state, and local laws and regulations, and, without limiting the foregoing, Mortgagor shall not cause or permit the premises to be used to generate, 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 or any tenant, subtenant or occupant, a release of Hazardous Materials not in compliance with all applicable federal, state, and local laws and regulations, onto the premises or onto any other property.

12/16/91

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30. 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, other than Hazardous Materials that were located on the premises prior to Mortgagor owning 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 (other than Hazardous Materials that were located on the premises prior to Mortgagor owning the premises) 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 demands of government authorities, or any policies or requirements of Mortgagee, which are based upon or in any way related to such Hazardous Materials including, without limitation, reasonable attorneys' and consultant's fees, investigation and laboratory fees, court costs, and litigation expenses.

Notwithstanding anything stated herein, Mortgagor shall have no responsibility for the removal or cleanup of the Hazardous Materials identified in that certain Property Survey prepared by Gabriel Laboratories, Ltd. dated May 10, 1991 ("Gabriel Report"), nor shall Mortgagor's obligation to defend, indemnify and hold Mortgagee harmless hereunder include any obligation regarding the Hazardous Materials identified in the Gabriel Report, which Hazardous Materials have been removed by Mortgagee (and if not removed by Mortgagee, shall be the sole responsibility of Mortgagee, upon demand, to remove).

First State Bank and Trust Company of Park Ridge, Trustee, executes this Mortgage as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such trustee, and it is expressly understood and agreed by the Mortgagee herein and by every person now or hereafter claiming any right or security hereunder that nothing contained herein or in the Note secured by this Mortgage shall be construed as creating any liability on the Trustee personally to pay said Note or any interest that may accrue thereon, or any indebtedness

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accruing hereunder or to perform any covenants either express or implied herein contained, all such liability, if any, being expressly waived, and that any recovery on this Mortgage and the Note secured hereby shall be solely against and out of the premises hereby conveyed by enforcement of the provisions hereof and of said Note, but this waiver shall in no way affect the personal liability of any co-maker, co-signer, endorser or guarantor of said Note.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage.

FIRST STATE BANK AND TRUST
COMPANY OF PARK RIDGE,

By: _____
not personally but solely
as trustee as aforesaid

By: *James J. [Signature]*
Its TRUSTEE

ATTEST:
[Signature]

Its _____

ASSISTANT

Property of Cook County Clerk's Office

687-3333

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STATE OF ILLINOIS)
)
) SS:
COUNTY OF COOK)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that

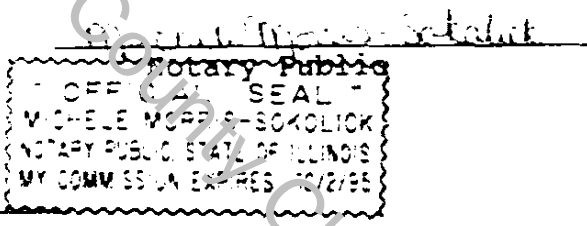
Toni Blum, Trust Officer
(Name) (Title)
of First State Bank and Trust Company of Park Ridge, a corporation, and Conyers, Trust Officer,
(Title)

of said corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such

John G. ... and ...
(Title) (Title)

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 corporation, as Trustee, for the uses and purposes therein set forth;

Given under my hand and official seal, this 24th day of April, 1992.



Commission expires: 10/2/95

THIS INSTRUMENT PREPARED BY AND RECORD AND RETURN TO:
Alvin J. Helfgot
LASER, SCHOSTOK, KOLMAN & FRANK
30 N. LaSalle Street
Suite 2500
Chicago, Illinois 60602
(312) 641-1300

ADDRESS OF PROPERTY:
Hillshire Estates of Inverness
Inverness, Illinois

03-1000000

FILE NUMBER:
91-608

EXHIBIT A

SCHEDULE A CONTINUED

LEGAL DESCRIPTION:

PARCEL 1:

THAT PART OF THE SOUTH HALF (1/2) OF THE SOUTHWEST QUARTER (1/4) AND THE SOUTH HALF (1/2) OF THE SOUTHEAST QUARTER (1/4) OF SECTION 12, TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT A POINT IN THE SOUTH LINE OF SAID SOUTHWEST QUARTER (1/4) 197 FEET WEST OF THE SOUTHEAST CORNER THEREOF; THENCE NORTH TO A POINT ON THE NORTH LINE OF THE SOUTH HALF (1/2) OF THE SOUTHWEST QUARTER (1/4) 195.5 FEET WEST OF THE EAST LINE OF SAID SOUTHWEST QUARTER; THENCE EAST ON THE NORTH LINE OF THE SOUTH HALF (1/2) OF THE SOUTHWEST QUARTER (1/4) AND SOUTH HALF (1/2) OF THE SOUTHEAST QUARTER (1/4) 331 FEET; THENCE SOUTH TO A POINT IN THE SOUTH LINE OF SOUTHEAST QUARTER (1/4) 134 FEET EAST OF THE SOUTHWEST CORNER THEREOF; THENCE WEST ON SOUTH LINE OF SECTION 12, 331 FEET TO THE PLACE OF BEGINNING, EXCEPTING THEREFROM THE NORTH 50 FEET THEREOF.

PARCEL 2:

THAT PART OF THE SOUTH HALF (1/2) OF THE SOUTHEAST QUARTER (1/4) OF SECTION 12, TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS; COMMENCING AT A POINT IN THE SOUTH LINE OF SAID SOUTHEAST QUARTER (1/4), 134 FEET EAST OF THE SOUTHWEST CORNER THEREOF; THENCE NORTH TO A POINT ON THE NORTH LINE OF THE SOUTH HALF (1/2) OF THE SOUTHEAST QUARTER (1/4), 135.5 FEET EAST OF THE WEST LINE OF SAID SOUTHEAST QUARTER (1/4); THENCE EAST ON THE NORTH LINE OF THE SOUTH HALF (1/2) OF THE SOUTHEAST QUARTER (1/4), 331 FEET; THENCE SOUTH TO A POINT ON THE SOUTH LINE OF SAID SOUTHEAST QUARTER (1/4), 465 FEET EAST OF THE SOUTHWEST CORNER THEREOF; THENCE WEST ON THE SOUTH LINE OF THE SOUTHEAST QUARTER (1/4), 331 FEET TO THE PLACE OF BEGINNING, EXCEPTING THEREFROM THE NORTH 50 FEET THEREOF.

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SCHEDULE A CONTINUED

PARCEL 3:

THAT PART OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF SECTION 12, TOWNSHIP 42, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: COMMENCING AT A POINT IN THE SOUTH LINE OF SAID SOUTHEAST QUARTER 465 FEET EAST OF THE SOUTHWEST CORNER THEREOF; THENCE NORTH TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF THE SOUTHEAST QUARTER 466.5 FEET EAST OF THE WEST LINE OF SAID SOUTHEAST QUARTER; THENCE EAST ON SAID NORTH LINE 330.5 FEET; THENCE SOUTH TO A POINT IN THE SOUTH LINE OF SAID SOUTHEAST QUARTER 795.5 FEET EAST OF THE SOUTHWEST CORNER THEREOF; THENCE WEST ON SOUTH LINE OF THE SOUTHWEST CORNER THEREOF; THENCE WEST ON SOUTH LINE OF SOUTHEAST QUARTER 331 FEET TO THE PLACE OF BEGINNING, EXCEPTING THEREFROM THE NORTH 50 FEET THEREOF.

PARCEL 4:

THAT PART OF THE SOUTH ONE HALF OF THE SOUTHWEST QUARTER OF SECTION 12, TOWNSHIP 42 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT A POINT IN THE SOUTH LINE OF SAID SOUTHWEST QUARTER 197 FEET WEST OF THE SOUTHWEST CORNER THEREOF; THENCE WEST ON SAID SOUTH LINE 331 FEET; THENCE NORTH TO A POINT ON THE NORTH LINE OF THE SOUTH ONE HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 12, 526.5 FEET WEST OF THE EAST LINE OF SAID SOUTHWEST QUARTER; THENCE EAST ON SAID NORTH LINE OF SOUTH ONE HALF OF SOUTHWEST QUARTER 331 FEET; THENCE SOUTH TO THE PLACE OF BEGINNING IN COOK COUNTY, ILLINOIS, EXCEPTING THEREFROM THE NORTH 50 FEET THEREOF.

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FILE NUMBER:
91-608

SCHEDULE A CONTINUED

PARCEL 5:

DRAINAGE EASEMENT FOR THE BENEFIT OF PARCELS 1-4 AS CREATED BY DRAINAGE EASEMENT AGREEMENT DATED 3/30/92 AND RECORDED 4-27-92 AS DOCUMENT 92-283976 BY AND BETWEEN FIRST BANK OF OAK PARK, AS TRUSTEE, UNDER TRUST NO. 12911, GRANTOR AND FIRST STATE BANK AND TRUST COMPANY OF PARK RIDGE, AS TRUSTEE, UNDER TRUST NO. 2206, GRANTEE.

PARCEL 6:

DRAINAGE EASEMENT FOR THE BENEFIT OF PARCEL 1-4 AS CREATED BY DRAINAGE EASEMENT AGREEMENT DATED 3/30/92 AND RECORDED 4-27-92 AS DOCUMENT 92-283977 BY AND BETWEEN FIRST BANK OF OAK PARK, AS TRUSTEE, UNDER TRUST NO. 12911, FIRST STATE BANK AND TRUST COMPANY OF PARK RIDGE, AS TRUSTEE, UNDER TRUST NO. 2206, GRANTEES, AND NICHOLAS J. MILAZZO AND FRANCES J. MILAZZO, GRANTORS, FOR CONSTRUCTION, INSTALLATION AND MAINTENANCE OF A STORM SEWER DRAIN.

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