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MORTGAGE AND SECURITY AGREEMENT

This MORTGAGE AND SECURITY AGREEMENT, (hereinafter referred to as the "Mortgage") is entered into this 29th day of September, 1994 by HERITAGE TRUST COMPANY, an Illinois corporation, not personally, but solely as Trustee under Trust Agreement dated September 26, 1994 and known as Trust No. 945327 (hereinafter referred to as "Trust" or the "Trustee," as appropriate), whose address for notice hereunder is c/o Brian J. Flanagan; Mars Equities, Inc.; P.O. Box 1102; Tinley Park, Illinois 60477, to GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY, a Colorado corporation, whose address for notice hereunder is 8515 E. Orchard Road, Englewood, Colorado 80111, FAX: (303) 689-6190, and the subsequent holder or holders, from time to time, of the Note, as defined hereinbelow (hereinafter referred to as "Mortgagee"), and joined in by PALOS PARTNERS, II, an Illinois general partnership (hereinafter referred to as "Beneficiary" and, collectively with the Trustee, as "Mortgagor").

WITNESSETH:

Article 1
DEFINITIONS

1.1 Definitions: As used herein, the following terms shall have the following meanings:

(a) Assignment of Rents: The Collateral Assignment of Rents and Leases dated of even date herewith by and between Mortgagor and Mortgagee.

(b) Beneficiary's Principals: Paul R. McNaughton and Brian J. Flanagan.

(c) Borrower: Trustee, Beneficiary and Beneficiary's Principals, or any one of them as the context may require.

(d) Buildings: Any and all buildings, covered garages, utility sheds, workrooms, air conditioning towers, open parking areas and other improvements, and any and all additions, alterations, betterments or appurtenances thereto, now or at any time hereafter situated, placed or constructed upon the Land (as defined hereinbelow) or any part thereof, including, without implied limitation, the commercial office complex commonly known as the Crest Courts Office Center and located at 17500-17516 Carriage Way Drive, Hazel Crest, Illinois, and all warranties, claims and causes of action inuring to the benefit of Mortgagor with respect thereto.

(e) CERCLA: The Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §9601 et seq., as amended or hereafter amended.

(f) Clean Air Act: The Clean Air Act, 42 U.S.C. §7401 et seq., as amended or hereafter amended.

(g) Collateral: The Personalty, Rents, Leases, Service Contracts and Escrowed Sums, together with:

(i) any and all proceeds or sums payable in lieu of or as compensation for all awards made by any public body or decreed by any court of competent jurisdiction for a taking or for degradation of value in any eminent domain proceedings;

(ii) any and all awards, proceeds or sums payable in lieu of or as compensation for the loss of or damage to the Land, Buildings, Personalty or any other personal property described above; and

(iii) any and all general intangibles pertaining to any of the foregoing, including, without limitation, trademarks, trade names and service marks, contract rights, and warranties, claims and causes of action inuring to the benefit of Borrower with respect thereto.

(h) Contract: The Purchase and Sale Agreement dated August 18, 1994 by and between Mortgagee and Beneficiary.

(i) Environmental Requirements: All Federal, state or local laws, ordinances, requirements and regulations (including consent decrees and administrative orders) applicable to the Mortgaged Property and relating to public health and safety and protection of the environment, including without implied limitation the following and all regulations issued thereunder: (i) CERCLA; (ii) RCRA (as defined hereinbelow); (iii) the Illinois Environmental Act (as defined hereinbelow); (iv) TSCA (as defined hereinbelow); (v) the Federal Water Pollution Act (as defined hereinbelow); and (vi) the Clean Air Act; all as amended from time to time.

(j) Escrowed Sums: The amounts to be paid by Mortgagor to Mortgagee pursuant to Article 10 hereinbelow toward the creation of a fund for the payment of Impositions (as defined hereinbelow) and insurance premiums for the Mortgaged Property (as defined hereinbelow).

(k) Event of Default: Any happening or occurrence described in Article 6 hereinbelow.

(l) Federal Water Pollution Act: The Federal Water Pollution Control Act, 33 U.S.C. §1251 et seq., as amended or hereafter amended.

(m) Fixtures: The Personalty, to the extent the same constitutes fixtures within the scope of the Illinois Uniform Commercial Code -- Secured Transactions.

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

(o) Guarantor: (individually and/or collectively, as the context may require): Beneficiary, Paul R. McNaughton, Brian J. Flanagan, , and/or any other individuals or entities who may hereafter, in addition to or as substitute for Beneficiary, Paul R. McNaughton or Brian J. Flanagan, guarantee the repayment of all or part of the Indebtedness and/or the satisfaction of, or continued compliance with, all or part of the Obligations, both as defined in this Mortgage.

(p) Guaranty: (individually and/or collectively, as the context may require): The Limited Guaranty and Environmental Indemnification Agreement made by Beneficiary Paul R. McNaughton and Brian J. Flanagan to Mortgagee of even date herewith and any other instruments or documents hereafter in effect, from Guarantor in favor of Mortgagee, guaranteeing the repayment of all or any part of the Indebtedness and/or the satisfaction of, or continued compliance with, all or part of the Obligations, both as defined herein, together with any amendments, renewals or replacements thereof.

(q) Hazardous Substances: Including, without limitation, (i) "hazardous substances", as defined by CERCLA or the Illinois Environmental Act (as defined hereinbelow) (ii) "hazardous wastes", as defined by RCRA (as defined hereinbelow); (iii) any pollutant or contaminant or hazardous, dangerous or toxic chemicals, materials, or substances within the meaning of any other applicable Environmental Requirement; (iv) more than seven gallons of crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute); (v) any radioactive material, including any source, special nuclear or by-product material as defined at 42 U.S.C. §2011 et seq., as amended or hereafter amended; (vi) asbestos in any form or condition; and (vii) the group of organic compounds known as polychlorinated biphenyls.

(r) Illinois Environmental Act: The Illinois Environmental Protection Act, 415 ILCS 5/1 et seq., as amended or hereafter amended.

(s) Impositions: All real estate and personal property taxes, water, gas, sewer, electricity and other utility rates and charges, charges for any easement, license or agreement maintained for the benefit of the Mortgaged Property, and all other taxes, charges and assessments and any interest, costs or penalties with respect thereto, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever which at any time prior to or after the execution hereof may be assessed, levied or imposed upon the Mortgaged Property or the Rents (as defined hereinbelow) or the ownership, use, occupancy or enjoyment thereof.

(t) Indebtedness: All principal, interest and other amounts, payments, premiums and penalties now or hereafter due under, advanced by Mortgagee pursuant to or secured by the Security Documents (as defined hereinbelow), provided that the amount of Indebtedness secured hereby shall not exceed at any one time in the aggregate three times the face amount of the Note (as defined hereinbelow).

(u) Land: The real estate or interest therein described in Exhibit "A" attached hereto, together with:

(i) all rights, privileges, tenements, hereditaments, rights-of-way, easements, appendages and appurtenances in any way appertaining thereto, including, without limitation, all right, title and interest of Mortgagor in and to any streets, ways, alleys, strips or gores of land adjoining said real estate or any part thereof; and

(ii) all betterments and additions thereof and thereto and all reversions and remainders therein.

(v) Leases: Any and all leases, subleases, licenses, concessions or other agreements (written or verbal, now or hereafter in effect) which grant a possessory interest in and to, or the right to use, all or any part of the Mortgaged Property (as defined hereinbelow), and all other agreements, which in any way relate to the use, occupancy or enjoyment of the Mortgaged Property, or any portion thereof, and all claims and causes of action inuring to the benefit of Borrower with respect thereto, together with any amendments, extensions, renewals and replacements of any of the foregoing.

(w) Legal Requirements: (i) any and all present and future judicial decisions, statutes, rulings, rules, regulations, permits, certificates or ordinances of any Governmental Authority in any way applicable to Borrower or the Mortgaged Property (as defined hereinbelow), including without implied limitation, those applicable to (A) the ownership, use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction of the Mortgaged Property, (B) the accessibility of the Mortgaged Property to handicapped or disabled persons (including without implied limitation, the Americans with Disabilities Act, 42 U.S.C. §12101 et seq.;, and the Illinois Environmental Barriers Act, 410 ILCS 25/1 et seq., and (C) the effect of the Mortgaged Property or its operation on the environment, including without implied limitation, the Environmental Requirements, and (ii) Mortgagor's presently or subsequently effective organizational documents, as amended from time to time, whether they be bylaws and articles of incorporation, or agreement of partnership, limited partnership, joint venture, trust or other form of business association.

(x) Mortgaged Property: The Land, Buildings, Fixtures, Personalty, Service Contracts, Leases, Rents, Escrowed Sums and other Collateral (all as defined in this

Mortgage). As used in this Mortgage, the term "Mortgaged Property" shall be expressly defined as meaning all, or where the context permits or requires any portion, of the property described in this paragraph, and all or, where the context permits or requires any, interest therein.

(y) Mortgagor: The above defined Mortgagor and any and all subsequent owners of the Mortgaged Property.

(z) Note: The promissory note executed of even date herewith, made by Trustee, payable to the order of Mortgagee in the amount of THREE HUNDRED TWENTY THOUSAND DOLLARS ($320,000.00), bearing interest prior to default at a rate of 8.5% per annum, requiring monthly payments of principal and interest, with a final balloon payment of all unpaid principal and accrued interest due October 1, 2001, subject to Mortgagor's Option to extend the term of the Note for an additional five years, as described in Paragraph 1(c) of the Note, and secured, in part, by this Mortgage, and any and all renewals, rearrangements, modifications, reamortizations, enlargements or extensions of such promissory note or of any promissory note or notes given therefor.

(aa) Obligations: Any and all of the covenants, warranties, representations and other obligations (other than to repay the Indebtedness) now or hereafter made or undertaken by Borrower or others to Mortgagee or others as set forth in the Security Documents (as defined hereinbelow), the Leases, the Contract or any other documents now or hereafter executed by Mortgagor or others in connection with the loan evidenced by the Note, or in any lease, sublease or other agreement pursuant to which Mortgagor is granted a possessory interest in the Land.

(bb) Permitted Encumbrances: The outstanding liens, easements, building lines, restrictions, security interests and other matters (if any) as reflected on Exhibit "B" attached hereto and the lien and security interests created by the Security Documents.

(cc) Personalty: All materials, supplies, systems, equipment, apparatus and other items now or hereafter attached to, installed in or used in connection with (temporarily or permanently) any of the Buildings or the Land, including but not limited to any and all furniture, furnishings, machinery, appliances, tools, partitions, dynamos, window screens and shades, drapes, rugs and other floor coverings, awnings, motors, engines, boilers, furnaces, pipes, plumbing, cleaning, intercom and sprinkler systems, fire extinguishing apparatus and equipment, water tanks, swimming pools, heating, ventilating, plumbing, laundry, incinerating, air conditioning and air cooling equipment, apparatus and systems, gas and electric machinery, systems and equipment, disposals, dishwashers, refrigerators, ranges and ovens, and recreational equipment and facilities, together with all accessories, replacements and substitutions thereto or therefor, excluding therefrom, however, any of such items which are owned by tenants of any of the Buildings.

(dd) RCRA: The Resource Conservation and Recovery Act of 1986, 42 U.S.C. §6901 et seq., as amended or hereafter amended.

(ee) Roof Repair Escrow Agreement: The Roof Repair Escrow Agreement made by and between Mortgagee and Beneficiary concurrently with this Mortgage.

(ff) Security Documents: The Note, this Mortgage, the Guaranty, the Assignment of Rents, the Roof Repair Escrow Agreement, the Tenant Expense Escrow Agreement, all Financing Statements and any and all other documents now or hereafter executed by Borrower or any other person or party to evidence or secure the payment of the Note or the loan evidenced thereby.

(gg) Service Contracts: Any and all utility contracts, maintenance agreements, service contracts, equipment leases, insurance policies (including fidelity and indemnity bonds), construction contracts, engineers, designers and architects contracts, performance bonds, escrows (for lien claimants, tenant finish or otherwise) and all other agreements executed now or at any time hereafter which in any way relate to the use, operation, maintenance, enjoyment or ownership of the Land, Building, Personalty or other portions of the Mortgaged Property, save and except the Leases and any and all agreements pursuant to which Mortgagor is granted title to, ownership of or a possessory interest in the Land.

(hh) Taxes: All real estate and personal property taxes and assessments levied or imposed upon the Mortgaged Property.

(ii) TSCA: The Toxic Substance Control Act, 15 U.S.C. §2601 et seq., as amended or hereafter amended.

(jj) Tenant Expense Escrow Agreement: The Tenant Expense Escrow Agreement made by and between Mortgagee and Beneficiary concurrently with this Mortgage.

Article 2
GRANT

2.1 Grant: To secure the full and timely payment of the Indebtedness and the full and timely performance and discharge of the Obligations, Borrower has GRANTED, MORTGAGED and CONVEYED, and by these presents does GRANT, MORTGAGE and CONVEY, unto Mortgagee the Mortgaged Property, subject, however, to the Permitted Encumbrances, TO HAVE AND TO HOLD the Mortgaged Property unto Mortgagee, forever.

Article 3
WARRANTIES AND REPRESENTATIONS

Beneficiary hereby unconditionally represents and warrants to Mortgagee as follows:

3.1 Organization and Power: Beneficiary (a) is a general partnership organized and existing under the laws of the State of Illinois, (b) is the sole beneficiary and sole holder of the power of direction of the Trust, and (c) has all requisite power and all governmental certificates of authority, licenses, permits, qualifications and documentation to own, lease and operate its properties and to carry on its business as now being, and as proposed to be, conducted.

3.2 Validity of Loan Instruments: The execution, delivery and performance by Borrower of the Security Documents and the borrowing evidenced by the Note, (a) are within Borrower's authority and powers, (b) have received all (if any) requisite prior governmental approval in order to be legally binding and enforceable in accordance with the terms thereof and (c) will not violate, be in conflict with, result in a breach of or constitute (with due notice or lapse of time, or both) a default under, any Legal Requirement or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of Borrower's property or assets, except as contemplated by the provisions of the Security Documents. The Security Documents constitute the legal, valid and binding obligations of Borrower and others obligated under the terms of the Security Documents, in accordance with their respective terms.

3.3 Information: All statements made in the Contract and all information, reports, papers and data given to Mortgagee with respect to Borrower or others obligated under the terms of the Security Documents are accurate, complete and correct in all material respects and do not omit any fact known to Beneficiary, the inclusion of which in Beneficiary's reasonable opinion would be necessary to prevent the facts contained therein from being materially misleading.

3.4 Title to Mortgaged Property and Lien of this Instrument: Trustee has good and indefeasible title to the Land and to the Buildings and good and marketable title to the Fixtures and Personalty, free and clear of any liens, charges, encumbrances, security interests and adverse claims whatsoever except the Permitted Encumbrances. This Mortgage constitutes a valid, subsisting, first lien mortgage on the Land, the Buildings and the Fixtures and a valid subsisting first security interest in and to the Personalty, Service Contracts, Leases, Rents and Escrowed Sums, all in accordance with the terms hereof.

3.5 Litigation: There are no actions, suits or proceedings pending, or to the knowledge of Beneficiary threatened, against or affecting Borrower, or involving the validity or enforceability of the Mortgage or the priority of the lien and security interest thereof, and no event has occurred (including specifically Borrower's execution of the Security Documents and its consummation of the loan represented thereby) which will violate, be in conflict with, result in the breach of or constitute (with due notice or lapse of time, or both) a default under, any Legal Requirement or result in the creation or imposition of any lien, charge or encumbrance of any

nature whatsoever upon any of Mortgagor's property other than the lien and security interest created by the Security Documents.

3.6 Commercial Purpose: The proceeds of the loan evidenced by the Note have been disbursed to or credited to the benefit of Beneficiary, which is a business entity as specified in 815 ILCS 205/4(c). Said proceeds will be used for a business, commercial, agricultural or industrial enterprise which is carried on for the purpose of investment or profit and not for personal, family or household purposes. Mortgagor acknowledges that the loan evidenced by the Note is specifically exempted under Section 226.3(a) of Regulation Z issued by the Board of Governors of the Federal Reserve System and under Title I (Truth in Lending Act) and Title V (General Provisions) of the Consumer Credit Protection Act, and that no disclosures are required to be given under such regulations and federal laws in connection with such loan.

3.7 Hazardous Substances: Except for matters disclosed in any environmental audits conducted by or reviewed by Mortgagee and for matters known to Mortgagee on the date hereof and not disclosed to Mortgagor, there are no Hazardous Substances presently stored, located or used on the Mortgaged Property and no part of the Mortgaged Property is contaminated by any Hazardous Substance.

Article 4
AFFIRMATIVE COVENANTS

Mortgagor hereby unconditionally covenants and agrees with Mortgagee as follows:

4.1 Payment and Performance: Mortgagor will pay the indebtedness, as and when called for in the Security Documents and on or before the due dates thereof, and will perform all of the Obligations, in full, on or before the dates same are to be performed.

4.2 Existence: Borrower will preserve and keep in full force and effect its existence, rights, franchises and trade names.

4.3 Compliance with Legal Requirements: Borrower will promptly and faithfully comply with, conform to and obey all present and future Legal Requirements whether or not same shall necessitate structural changes in, improvements to, or interfere with the use or enjoyment of, the Mortgaged Property.

4.4 First Lien Status: Borrower will protect the first lien and security interest status of this Mortgage and will not, without the prior written consent of Mortgagee, place, or permit to be placed, or otherwise mortgage, hypothecate or encumber the Mortgaged Property with, any other lien or security interest of any nature whatsoever (statutory, constitutional or contractual) regardless of whether same is allegedly or expressly inferior to the lien and security interest created by this Mortgage, and, if any such lien or security interest is asserted against the Mortgaged Property, Mortgagor will promptly, and at its own cost and expense, pay the underlying claim in full or take such other action so as to cause same to be released.

4.5 Payment of Impositions and Other Payments: Subject to the provisions of Article 10, Mortgagor will duly pay and discharge, or cause to be paid and discharged, the Impositions not later than the due date thereof (the due date being the last date prior to the time any fine, penalty, interest or cost may be added thereto or imposed). Mortgagor will pay in full all sums owing or claimed for labor, material, supplies, personal property (whether or not forming a Fixture hereunder) and services of every kind and character used, furnished or installed in the Mortgaged Property, provided that Borrower may contest any such claim if Borrower provides to Mortgagee an endorsement to Mortgagee's title insurance policy covering such claim or other security reasonably acceptable to Mortgagee.

4.6 Repair: Borrower will keep the Mortgaged Property in as good or better condition as the Mortgaged Property was in at the date of execution hereof and will make all repairs, replacements, renewals, additions, betterments, improvements and alterations thereof and thereto, interior and exterior, structural and non-structural, ordinary and extraordinary, which are necessary or reasonably appropriate to keep same in such order and condition. Mortgagor will also use its reasonable efforts to prevent any act or occurrence which might impair the value or usefulness of the Mortgaged Property for its intended usage as set forth in the Security Documents. In instances where repairs, replacements, renewals, additions, betterments, improvements or alterations are required in and to the Mortgaged Property on an emergency basis to prevent loss, damage, waste or destruction thereof, Mortgagor shall proceed to construct same, or cause same to be constructed, notwithstanding anything to the contrary contained in Paragraph 5.2 hereinbelow; provided, however, that in instances where such emergency measures are to be taken, Mortgagor will notify Mortgagee in writing of the commencement of same and the measures to be taken, and, when same are completed, the completion date and the measures actually taken.

4.7 Insurance: Borrower will obtain and maintain insurance upon and relating to the Mortgaged Property insuring against personal injury and death, loss by fire, flood and such other hazards, casualties and contingencies (including business interruption insurance covering loss of Rents for at least a twelve month period) as are normally and usually covered by "all risk" policies in effect in the State where the Land is located and such other risks as may be reasonably specified by Mortgagee, from time to time. The amount of such insurance shall be not less than the greater of the Note amount or 100% of the full replacement cost of the Mortgaged Property. Full replacement cost, as used herein, means the cost of replacing the Mortgaged Property, exclusive of the cost of excavations, foundations, and footings below the lowest basement floor. The amount of such full replacement cost shall be acceptable to Mortgagee. Each policy shall contain a Replacement Cost Endorsement. The insurers shall have a Best Insurance Guide rating acceptable to Mortgagee. Each insurance policy issued in connection therewith shall provide by way of endorsements, riders or otherwise that:

(a) proceeds will be payable to Mortgagee as its interest may appear, it being agreed by Mortgagor that such payments shall be applied either (i) to the restoration, repair or replacement of the Mortgaged Property or (ii) toward the payment of the Indebtedness;

(b) the coverage of Mortgagee shall not be terminated, reduced or affected in any manner regardless of any breach or violation by Mortgagor of any warranties, declarations or conditions in such policy, unless such insurer shall have given Mortgagee thirty (30) days prior written notice thereof;

(c) no such insurance policy shall be cancelled, endorsed, altered or reissued to effect a change in coverage for any reason and to any extent whatsoever unless such insurer shall have first given Mortgagee thirty (30) days prior written notice thereof; and

(d) Mortgagee may, but shall not be obligated to, make premium payments to prevent any cancellation, endorsement, alteration or reissuance and such payments shall be accepted by the insurer to prevent same.

Mortgagee shall be furnished with a certificate or endorsement with respect to each renewal policy showing Mortgagee as loss payee, not less than thirty (30) days prior to the expiration of the initial or each preceding renewal policy together with (subject to the provisions of Article 10) receipts or other evidence that the premiums thereon have been paid. Mortgagor shall furnish to Mortgagee, on or before one hundred twenty (120) days after the close of each of Mortgagor's fiscal years, a statement certified by a duly authorized officer of Mortgagor of the amounts of insurance maintained in compliance with this Paragraph 4.7, of the risks covered by such insurance and of the insurance company or companies which carry such insurance.

4.8 Adjustment of Insured Casualty: Mortgagor will give Mortgagee prompt notice of any damage to or destruction of the Mortgaged Property, and:

(a) In case of any such damage or destruction covered by policies of insurance (hereinafter referred to as an "Insured Casualty"), if no Event of Default has occurred and be then continuing, Mortgagor, may settle and adjust any claim for such Insured Casualty, subject to Mortgagee's reasonable approval. If an Event of Default shall have occurred and be then continuing, Mortgagee shall and is hereby authorized to, settle, collect and receipt for any insurance proceeds. Mortgagor hereby assigns, transfers and grants a security interest to Mortgagee in any such insurance proceeds. The expenses incurred by Mortgagee in the adjustment, collection and administration of insurance proceeds shall be a part of the Indebtedness and shall be reimbursed to Mortgagee upon demand.

(b) In the event of an Insured Casualty, if no Event of Default shall have occurred and be then continuing, the proceeds of insurance for such Insured casualty shall be used to pay for the cost of restoration of the Mortgaged Property or part thereof subject to Insured Casualty. If at such time any Event of Default shall have occurred and remains uncured, Mortgagee shall, at its election, either apply the proceeds of insurance for such Insured Casualty to pay for such cost of restoration, or shall apply all or any remaining portion of the proceeds of insurance upon the Indebtedness in such order or manner as Mortgagee may elect.

4.9 Application of Proceeds: If the proceeds of the insurance described in Paragraph 4.7 hereinabove, or the proceeds of condemnation or other taking described in Paragraph 8.1 hereinbelow, are to be used for restoration, repair or replacement (hereinafter referred to as the "Work") of the Mortgaged Property, such proceeds shall be paid out by the applicable insurer or Governmental Authority, or by Mortgagee from time to time to Mortgagor (or, at the option of Mortgagee, jointly to Mortgagor and the persons furnishing labor and/or materials incident to such restoration, repair or replacement or directly to such persons) as the Work progresses, subject to the following conditions:

(a) if the cost of the Work estimated by Mortgagee shall exceed $25,000.00, prior to the commencement thereof (other than Work to be performed on an emergency basis to protect the Mortgaged Property or prevent interference therewith), (i) if required by law, an architect or engineer, approved by Mortgagee, shall be retained by Mortgagor (at Mortgagor's expense) and charged with the supervision of the Work and (ii) Mortgagor shall have prepared, submitted to Mortgagee and secured Mortgagee's written approval of (such approval not to be unreasonably withheld) the plans and specifications for such Work;

(b) each request for payment by Mortgagor shall be made on ten (10) days prior written notice to Mortgagee (or the third party disbursement agent, if applicable) and shall be accompanied by a certificate to be made by the architect or engineer supervising the Work (if one is required pursuant to Paragraph 4.9(a) hereinabove), otherwise by an executive officer or a partner of Beneficiary, stating, among such other matters as may be reasonably required by Mortgagee, that: (i) all of the Work completed has been done in compliance with the approved plans and specifications (if any be required under Paragraph 4.9(a) hereinabove); (ii) the sum requested is justly required to reimburse Mortgagor for payments by Mortgagor to, or is justly due to, the contractor, subcontractors, materialmen, laborers, engineers, architects or other persons rendering services or materials for the Work (giving a brief description of such services and materials); (iii) when added to all sums previously paid out by Mortgagor, the sum requested does not exceed the value of the Work done to the date of such certificate; and (iv) the amount of insurance proceeds remaining in the hands of Mortgagee together with any funds deposited by Mortgagor with Mortgagee will be sufficient on completion of the Work to pay for the same in full (giving in such reasonable detail as the Mortgagee may require an estimate of the cost of such completion);

(c) each request shall be accompanied by waivers of lien satisfactory in form and substance to Mortgagee covering that part of the Work for which payment or reimbursement is being requested and by a search prepared by a title company or licensed abstractor or by other evidence satisfactory to Mortgagee that there has not been filed with respect to the Mortgaged Property any mechanic's lien or other lien, affidavit or instrument asserting any lien or any lien rights with respect to the Mortgaged Property;

(d) there has not occurred any Event of Default since the hazard, casualty or contingency giving rise to payment of the insurance proceeds; and

(e) in the case of the request for the final disbursement, such request is accompanied by a copy of any Certificate of Occupancy or other certificate required by any Legal Requirement to render occupancy of the damaged portion of the Mortgaged Property lawful.

If, upon completion of the Work, any portion of the insurance proceeds has not been disbursed to Mortgagor (or one or more of the other aforesaid persons) incident hereto, Mortgagee shall apply such balance toward the payment of the Indebtedness. Nothing herein shall be interpreted to prohibit Mortgagee from (y) withholding (or requiring the third party disbursement agent to withhold) from each disbursement ten percent (10%) (or such greater amount, if permitted or required by any Legal Requirement) of the amount otherwise herein provided to be disbursed, and from continuing to withhold such sum, until the time permitted for perfecting liens against the Mortgaged Property has expired, at which time the amount withheld shall be disbursed to Mortgagor (or to Mortgagor and any person or persons furnishing labor and/or material for the Work or directly to such persons), or (z) applying at any time the whole or any part of such insurance proceeds to the curing of any Event of Default.

4.10 Restoration Following Casualty: If any act or occurrence of any kind or nature, ordinary or extraordinary, foreseen or unforeseen (including any casualty for which insurance was not obtained or obtainable), shall result in damage to or loss or destruction of the Mortgaged Property, Mortgagor will give notice thereof to Mortgagee and, if so instructed by Mortgagee, will promptly, at Mortgagor's sole cost and expense and regardless of whether the insurance proceeds (if any are made available to Mortgagor) shall be sufficient for the purpose, commence and continue diligently to completion to restore, repair, replace and rebuild the Mortgaged Property as nearly as possible to its value, condition and character immediately prior to such damage, loss or destruction.

4.11 Performance of Leases: Mortgagor will: (a) duly and punctually perform and comply with any and all representations, warranties, covenants and agreements expressed as binding upon it under each of the Leases, (b) not voluntarily terminate, cancel or waive its rights or the obligations of any other party under any of the Leases, (c) use all reasonable efforts to maintain each of the Leases in force and effect during the full term thereof, and (d) appear in and defend any action or proceeding arising under or in any manner connected with any of the Leases or the representations, warranties, covenants and agreements of it or the other party or parties thereto.

4.12 Inspection: Mortgagor will permit Mortgagee and its agents, representatives and employees, to inspect the Mortgaged Property at reasonable times and upon reasonable notice for such purposes as shall be determined from time to time by Mortgagee. Beneficiary shall lend assistance in this regard to all such agents and representatives of Mortgagee.

4.13 Indemnity: With respect to any and all claims, costs, actions and proceedings whatsoever, which may be brought or instituted on account of any event or obligation which occurs or accrues on or after the effective date hereof, Mortgagor will defend, at its own cost and expense, indemnify and hold Mortgagee harmless from and against, any action, proceeding, claim, liability or damages arising from, in connection with or in any way affecting or related to the Mortgaged Property, the Security Documents, or any breach, default or noncompliance with any Legal Requirement, Obligation, or any of the Security Documents and all costs and expenses incurred by Mortgagee in protecting its interests hereunder in such an event (including all court costs and attorneys' fees) shall be borne by Mortgagor.

4.14 Books and Records: Mortgagor will maintain full and accurate books of account and other records reflecting the results of its operations (in conjunction with its other operations as well as its operation of the Mortgaged Property), and will furnish or cause to be furnished to Mortgagee:

(a) on or before ninety (90) days after the end of Beneficiary's fiscal year:

(i) a complete financial report of the operation of the Mortgaged Property certified by Beneficiary, such report to include a balance sheet and supporting schedules and a detailed statement of income and expenditures with supporting schedules for Mortgagor's immediately preceding fiscal year together with any and all related notes and such other detail as Mortgagee may reasonably require;

(ii) a written statement certified by Beneficiary as true, correct and complete which identifies each of the Leases by the name of the tenant, the term, the location and square footage of the space occupied, the rental or other payment required thereunder (identified as gross, semigross or net), rental concessions and options, if any, and any security paid as to each of the Leases; and

(iii) if requested by Mortgagee, a certificate by Beneficiary identifying any lawsuits or other material claims which have been initiated or asserted (or, to the knowledge of the certifying officer or partner, threatened) against Mortgagor or the Mortgaged Property; and

(b) if requested by Mortgagee, a statement of income and expenses relating to the Mortgaged Property for the preceding quarter-annual period, specifying the gross revenue for such period and the source thereof, all in such detail as Mortgagee may reasonably require and certified by Beneficiary as having been prepared in accordance with accounting principles consistent with those reflected in the annual financial statements called for under Paragraph 4.13(a)(i) hereinabove and as to the truth, accuracy and completeness of the information contained therein. Where gross revenues shall result from operations of a lessee, operator, concessionaire or licensee of Mortgagor, as opposed to being generated by Mortgagor directly, Mortgagor may satisfy the

requirements of this Paragraph 4.13(b) with respect to such gross revenues by delivering to Mortgagee statements prepared by such lessee, operator, concessionaire or licensee or its respective independent certified public accountant; provided, however, that such independent certified public accountant shall be acceptable to Mortgagee; and provided further, that such statements shall be similar in form to, and prepared in accordance with the same accounting principles as, those required of Mortgagor.

At any time and from time to time Borrower shall deliver to Mortgagee such other financial data as Mortgagee shall reasonably request with respect to the ownership, maintenance, use and operation of the Mortgaged Property, and Mortgagee shall have the right, at Mortgagee's expense and, at reasonable times and upon reasonable notice, to audit Borrower's books of account and records relating to the Mortgaged Property, all of which shall be maintained and made available to Mortgagee and Mortgagee's representatives for such purpose on the Mortgaged Property or at such other location as Mortgagee may approve.

4.15 Mortgagor Estoppel: Borrower shall, within five (5) days of written request from time to time made by Mortgagee, execute any and all estoppel certificates or other certificates of current status, certifying to the best of its knowledge as to the then existing status of the Note and whether there are any claims, defenses or offsets to same, the status of the Leases, the Service Contracts, the Mortgaged Property, compliance with Legal Requirements and Obligations, the payment of the Indebtedness and Impositions, and as to any Events of Default hereunder, or events of default by any party to the Security Documents, Leases, or the Service Contracts. Such certificates shall also certify as to such other information relating to the Mortgaged Property and Security Documents as Mortgagee shall reasonably request.

4.16 Environmental Compliance:

(a) Mortgagor shall, at its sole cost and expense, comply strictly and in all respects with the Environmental Requirements. Without limiting the foregoing, Mortgagor shall not hereafter cause or permit any:

(i) Hazardous Substance to be generated, treated, stored or disposed of, or otherwise deposited in or located on the Mortgaged Property, including, without limitation, the surface and subsurface waters of the Mortgaged Property, unless and to the extent that such use and storage is in accordance with all Environmental Requirements and prudent industry standards and such use or storage will not create the likelihood of the release of any such Hazardous Substance on the Mortgaged Property;

(ii) activity to be undertaken on the Mortgaged Property which would cause:

(A) the Mortgaged Property to become a hazardous waste treatment, storage or disposal facility within the meaning of, or otherwise

bring the Mortgaged Property within the ambit of, RCRA or any other Environmental Requirement;

(B) a release or threatened release of any Hazardous Substance from the Mortgaged Property within the meaning of, or otherwise bring the Mortgaged Property within the ambit of, CERCLA, TSCA or any other Environmental Requirement; or

(C) the discharge of pollutants or effluents into any water source or system, or the discharge into the air of any emissions, which would require a permit under the Federal Water Pollution Act, the Clean Air Act or any other Environmental Requirement; and

(iii) spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing to occur into the environment of any Hazardous Substance, or any disposal of any Hazardous Substance, at, upon, under or within the Mortgaged Property, and neither Mortgagor, nor any tenant or other occupant of the Mortgaged Property, nor any other party will be involved in operations at the Mortgaged Property, nor will there be any substances or conditions in or on the Mortgaged Property, which could support a claim or cause of action or lead to the imposition on Mortgagor or any other owner of the Mortgaged Property of liability or the creation of a lien on the Mortgaged Property under any Environmental Requirement.

(b) Mortgagor shall notify Mortgagee as soon as it knows of or suspects that any Hazardous Substance has been released or that there is any threatened release upon the Mortgaged Property, and shall promptly forward to Mortgagee copies of all orders, notices, permits, applications or other communications and reports in connection with any such release or any other matters relating to the Environmental Requirements as they may affect the Mortgaged Property.

(c) Mortgagee may obtain, at its expense, an environmental site assessment or environmental audit report, or an update of such an assessment or report, all in scope, form and content satisfactory to Mortgagee.

(d) In the event of any condition or activity occurring or arising with respect to the Property in violation of Environmental Requirements, and/or if Mortgagor shall otherwise fail to comply with any of the requirements of this Section 4.15, Mortgagee may, at its election, but without the obligation so to do, at any time after notice to Mortgagor, give such notices, and/or cause such work to be performed at the Mortgaged Property and/or take any and all other actions as Mortgagee shall deem necessary or advisable in order to remedy said violation or cure said failure of compliance, and any amounts paid as a result thereof, together with interest thereon, shall be immediately due

and payable by Mortgagor to Mortgagee and shall be added to and become a part of the Indebtedness, as provided in Section 11.9 of this Mortgage.

4.17 Roof Repair: Mortgagor shall perform the necessary repairs on the roofs of the five buildings which constitute the Buildings on or before December 31, 1994, as provided in the Contract. Mortgagee will escrow $60,000.00 to be applied to said roof repairs (the "Roof Escrow") or, if funds remain in the Roof Escrow after completion of such work, to other expenses of the Land for repairs, tenant improvements or commissions reasonably approved by Mortgagee, all as provided in the Roof Repair Escrow Agreement.

4.18 Additional Funds for Tenant Build-Out: In the event Rehabilitation Achievement Center, Inc. elects to exercise its option to terminate its lease as of February 28, 1996, and in the event Mortgagor obtains a proposal from a new tenant reasonably acceptable to Mortgagee to lease the space previously occupied by Rehabilitation Achievement Center, Inc. upon terms and conditions reasonably acceptable to Mortgagee (the "Substitute Lease"), Mortgagee shall lend to Mortgagor up to $100,000, in addition to the indebtedness outstanding on the date of this Mortgage, to fund up to 80% of the cost of tenant improvements and up to 40% of usual and customary leasing commissions paid to unrelated third parties for services actually rendered, and which are required for such Substitute Lease. Such funds shall be disbursed upon request of the Mortgagor and presentation of appropriate documentation pursuant to the same terms and conditions as are provided in the Tenant Expense Escrow Agreement for disbursement of funds thereunder. Said loan shall bear interest at a fixed rate equal to 250 basis points in excess of the then current rate accruing on treasury securities with terms comparable to the term of said loan, shall be evidenced by the Note and secured by this Mortgage and the other Security Documents, shall be repayable in monthly installments of principal and interest which fully amortize said loan over a term equal to the initial term of the Substitute Lease and shall be due and payable in full, if not sooner paid, on the Maturity Date of the Note. Mortgagor shall execute and deliver an amendment to the Note and other Security Documents, prepared by Mortgagee's counsel, and any other documents reasonably required by Mortgagee to further evidence, maintain and perfect the Indebtedness and Obligations and the liens and security interest securing the same. Mortgagor shall pay all costs and expenses incurred by Mortgagee in conjunction with such loan and the funding of same, including but not limited to recording fees, premiums for title insurance endorsements and reasonable attorneys' fees.

Article 5
NEGATIVE COVENANTS

Mortgagor hereby covenants and agrees with Mortgagee that, until the entire Indebtedness shall have been paid in full and all of the Obligations shall have been fully performed and discharged:

5.1 Use Violations: Mortgagor will not use, maintain, operate or occupy, and will use reasonable efforts not to permit the use, maintenance, operation or occupancy of, the Mortgaged Property in any manner which (a) violates any Legal Requirement, (b) may be dangerous unless safeguarded as required by law, (c) constitutes a public or private nuisance or (d) makes void,

voidable or cancelable, or increases the premium of, any insurance then in force with respect thereto.

5.2 Alterations: Mortgagor will not commit or permit any waste of the Mortgaged Property and will not (subject to the provisions of Paragraphs 4.6 and 4.9 hereinabove) without the prior written consent of Mortgagee make or permit to be made any alterations or additions to the Mortgaged Property of a material nature, except for tenant improvements required pursuant to any permitted Lease and except as may be provided in the Contract.

5.3 Replacement of Fixtures and Personalty: Mortgagor will not, without the prior written consent of Mortgagee, permit any of the Fixtures or Personalty to be removed at any time from the Land or Buildings unless the removed item is removed temporarily for maintenance and repair or, if removed permanently, is replaced by an article of equal suitability and value, owned by Mortgagor, free and clear of any lien or security interest except such as may be first approved in writing by Mortgagee.

5.4 Sale and Additional Encumbrances.

(a) Mortgagor hereby expressly agrees that if any one of the following described events occur (hereinafter referred to as a "Transfer") without the prior written consent of Mortgagee, whether by a direct or indirect method, then, any such event shall constitute an Event of Default hereunder (and the notice and cure provisions of Section 6.2 hereof shall not apply), and Mortgagee shall have the right, at its option, to declare the entire amount of the unpaid principal, accrued interest and other accrued and unpaid portions of the Indebtedness to be immediately due and payable, and the liens and security interests evidenced hereby and by the Security Documents shall be subject to foreclosure in any manner provided for herein or provided for by law as Mortgagee may elect:

(i) Mortgagor shall sell, lease (other than leases made in the ordinary course of operation of the Building), exchange, assign, convey, transfer possession of or otherwise dispose of all or any portion of the Mortgaged Property or of the beneficial interest in the Trust, or any interest therein (such actions being herein collectively referred to as a "Disposition");

(ii) Borrower shall grant, create, place or permit to be granted, created or placed, or through any act or failure to act, acquiesce in the placing of, or allow to remain, any deed of trust, mortgage, pledge, lien (statutory, constitutional or contractual), security interest, encumbrance or charge on, or conditional sale or other title retention agreement with respect to the Mortgaged Property or the beneficial interest in the Trust, or any interest therein (herein collectively referred to as a "Mortgage") regardless of whether same are expressly subordinate to the Security Documents, other than the Permitted Encumbrances, provided that the existence of any such Mortgage shall not be an Event of Default

hereunder if Borrower has not acted to grant, create, place or permit such Mortgage and if Borrower obtains the release or discharge of such Mortgage within 60 days after receiving written notice thereof;

(iii) Mortgagor shall cease to own the entire actual and beneficial title and interest to the Mortgaged Property and the beneficial interest in the Trust, free and clear from all liens, security interests and encumbrances except the Permitted Encumbrances;

(iv) Beneficiary shall dissolve, terminate, liquidate or cease to be a corporation, general partnership or a limited partnership duly organized and validly existing under the laws of the State of Illinois, if Beneficiary is a corporation, general partnership or a limited partnership;

(v) Any of the current general partners of Beneficiary shall cease to be a general partner of Beneficiary;

(vi) Any of the current shareholders of Beneficiary, if Beneficiary is a corporation, cease to be shareholders of Beneficiary;

(vii) If any transferee who has acquired title to the Mortgaged Property as a result of a Permitted Transfer (as defined below) shall cease to own the entire actual and beneficial title and interest to the fee simple estate to all of the Mortgaged Property, free and clear from all liens, security interests and encumbrances except the Permitted Encumbrances; or

(viii) Mortgagor shall contractually agree to any of the actions described in subparagraphs (i) through (vii) inclusive above, unless such agreement is expressly conditioned upon the consent of Mortgagee to the transaction contemplated thereby.

(b) Mortgagee shall have the hereinabove granted right and option to refuse consent absolutely, irrespective of whether or not any such Transfer would or might (i) diminish the value of any security for the Indebtedness, (ii) increase the risk of default under this Mortgage, (iii) increase the likelihood of Mortgagee's having to resort to any security for the Indebtedness after an Event of Default or (iv) add or remove the liability of any person or entity for payment or performance of the Indebtedness or any covenant or obligation under the Security Documents. If Mortgagee's consent to a proposed Transfer for which Mortgagee's consent is required is requested, Mortgagee shall have the right (in addition to its absolute right to refuse to consent to any such Transfer) to condition its consent upon satisfaction of any one or more of the following requirements:

(i) That the interest rate on the Note be increased to a rate acceptable to Mortgagee, but not in excess of the maximum legal rate of interest which may be charged on the Note;

(ii) That a transfer fee in an amount determined by Mortgagee be paid, but not less than one percent (1%) of the then outstanding principal balance of the Indebtedness;

(iii) That a principal amount, if deemed appropriate by Mortgagee, be paid against the Note;

(iv) That Borrower and each proposed transferee execute such assumption agreement and other instruments as Mortgagee shall require; and

(v) That no statute, rule, decision or governmental regulation, including usury limitations, restricts in any manner Mortgagee's right to make interest, payment or principal adjustments in accordance with the terms of the Note.

(c) Notwithstanding anything in the foregoing subsections (a) and (b) to the contrary, Mortgagee shall consent to the one-time Transfer of the ownership of the Land and the assumption of the Note, provided that:

(i) Mortgagor provides Mortgagee with 30 days written notice prior to such Transfer;

(ii) Mortgagor provides to Mortgagee sufficient information to reasonably determine that such buyer or transferee is creditworthy; and

(iii) such buyer or transferee agrees to assume all obligations of the Beneficiary and Beneficiary's Partners arising under the Security Documents by document approved by Mortgagee.

Any disposition approved by Mortgagee pursuant to this Section is herein referred to as a "Permitted Transfer".

Article 6
EVENTS OF DEFAULT

The term "Event of Default", as used herein and in any of the other Security Documents, shall mean the occurrence or happening, at any time and from time to time, of any one or more of the following:

6.1 Payment of Indebtedness: If Mortgagor shall fail, refuse or neglect to pay, in full, (a) any regularly scheduled installment of principal and/or interest under the Note within five days after the due date thereof, (b) the outstanding balance of the Note upon the maturity thereof, (c) any other portion of the Indebtedness as and when the same shall become due and payable, whether at the due date thereof stipulated in the Security Documents or otherwise, or (d) any other indebtedness of Trustee or Beneficiary to Mortgagee as and when the same shall become due and payable.

6.2 Performance of Obligations: If Borrower shall fail, refuse or neglect to perform and discharge fully and timely any of the Obligations as and when called for and such failure, refusal or neglect shall either be uncurable or, if curable, shall remain uncured for a period of thirty (30) days after written notice thereof from Mortgagee to Mortgagor; provided, however, that if such default is curable but requires work to be performed, acts to be done or conditions to be remedied which, by their nature, cannot be performed, done or remedied, as the case may be, within such thirty (30) day period, no Event of Default shall be deemed to have occurred if Borrower commences same within such thirty (30) day period and thereafter diligently and continuously prosecutes the same to completion within sixty (60) days after such notice. The notice and cure provisions shall not apply to a breach under Paragraph 5.4 hereof.

6.3 False Representation: If any representation or warranty made by Beneficiary or others in, under or pursuant to the Commitment or the Security Documents shall be false or misleading in any material respect.

6.4 Judgment: If any final judgment for the payment of money in excess of $100,000.00 shall be rendered against any Borrower and the same shall not be discharged within a period of sixty days after such judgment becomes final.

6.5 Voluntary Bankruptcy: If Borrower shall (a) seek, consent to or not contest the appointment of a receiver or trustee for itself or himself or for all or any part of its or his property, (b) file a petition seeking relief under the bankruptcy, arrangement, reorganization or other debtor relief laws of the United States or any state or any other competent jurisdiction, (c) make a general assignment for the benefit of its or his creditors or (d) admit in writing its or his inability to pay its or his debts as they mature.

6.6 Involuntary Bankruptcy: If (a) a petition is filed against Borrower seeking relief under the bankruptcy, arrangement, reorganization or other debtor relief laws of the United States or any state or other competent jurisdiction or (b) a court of competent jurisdiction enters an order, judgment or decree appointing, without the consent of Mortgagor or any Guarantor, a receiver or trustee for it or him, or for all or any part of its or his property, and such petition, order, judgment or decree shall not be and remain discharged or stayed within a period of ninety (90) days after its entry.

6.7 Tax on Indebtedness or Mortgage: If any law is passed (a) which would impose upon Mortgagee the obligation to pay the whole or any part of the Impositions or (b) changing in any

way the laws relating to the taxation of mortgages or debts so as to affect this Mortgage or the Indebtedness; provided, however, that if in the opinion of Mortgagee's counsel it shall be lawful for Mortgagor to pay such Impositions or to reimburse Mortgagee therefor, then no Event of Default shall be deemed to have occurred if a mutually satisfactory reimbursement agreement is executed by Mortgagor and delivered to Mortgagee and such Impositions or reimbursements are thereafter made by Mortgagor within the time specified in Paragraph 4.5 hereinabove.

6.8 Foreclosure of Other Liens: If the holder of the Subordinate Encumbrance or of any other lien or security interest on all or any part of the Mortgaged Property (without hereby implying Mortgagee's consent to the existence, placing, creating or permitting of any such lien or security interest) institutes foreclosure or other proceedings for the enforcement of its remedies thereunder.

Article 7
DEFAULT AND FORECLOSURE

7.1 Remedies: If an Event of Default shall occur, Mortgagee may, at Mortgagee's election and by or through Mortgagee or otherwise, exercise any or all of the following rights, remedies and recourses:

(a) Acceleration: Declare the then unpaid principal balance and accrued interest on the Note and any other accrued but unpaid portion of the Indebtedness to be immediately due and payable, without further notice, presentment, protest, demand or action of any nature whatsoever (each of which hereby is expressly waived by Mortgagor), whereupon the same shall become immediately due and payable, together with any penalties, premiums and other sums due under the Note as a result of such acceleration.

(b) Entry on Mortgaged Property: Enter upon the Mortgaged Property and take exclusive possession thereof and of all books, records and accounts relating thereto. If Borrower remains in possession of all or any part of the Mortgaged Property after an Event of Default and without Mortgagee's prior written consent thereto, Mortgagee may invoke any and all legal remedies to dispossess Borrower, including specifically one or more actions for forcible entry and detainer, trespass to try title and writ of restitution. Nothing contained in the foregoing sentence shall, however, be construed to impose any greater obligation or any prerequisites to acquiring possession of the Mortgaged Property after an Event of Default than would have existed in the absence of such sentence.

(c) Operation of Mortgaged Property: Hold, lease, manage, operate or otherwise use or permit the use of the Mortgaged Property, either itself or by other persons, firms or entities, in such manner, for such time and upon such other terms as Mortgagee may deem to be prudent and reasonable under the circumstances (making such repairs, alterations, additions and improvements thereto and taking any and all other action with reference thereto, from time to time, as Mortgagee shall deem necessary or

desirable), and apply all Rents and other amounts collected by Mortgagee in connection therewith in accordance with the provision of Paragraph 7.8 hereinbelow.

(d) Foreclosure and Sale: Foreclose the lien hereof for the full amount of the Indebtedness or any part thereof secured hereby. In any suit to foreclose the lien hereof, or in the event of any public auction sale, there shall be allowed and included as additional indebtedness in the judgment for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the judgment) of procuring all such abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to the true condition of the title to or the value of the Mortgaged Property. All expenditures and expenses of the nature in this paragraph mentioned, and such expenses and fees as may be incurred in the protection of said Mortgaged Property and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or the Mortgaged Property, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor.

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

(ii) Mortgagee may employ counsel for advice or other legal service at Mortgagee's discretion in connection with any dispute as to the obligations of Mortgagor hereunder, or as to the title or interest of Mortgagee to the Mortgaged Property arising pursuant to this Mortgage, or in any litigation to which Mortgagee may be a party which may affect the title to the Mortgaged Property or the validity of the Indebtedness and Obligations hereby secured, and any reasonable attorneys' fees so incurred shall be added to and be a part of the Indebtedness hereby secured. Any costs and expense reasonably incurred in connection with any other dispute or litigation affecting said Indebtedness or Mortgagee's title to the Mortgaged Property, including reasonably estimated amounts to conclude the transaction, shall be added to and be a part of the Indebtedness hereby secured. All such amounts shall be payable by Mortgagor to Mortgagee without formal demand.

(e) Appointment of Receiver: Upon, or at any time after, the filing of a complaint to foreclose this Mortgage, make application to the court in which such complaint is filed to place Mortgagee in possession or appoint a receiver of the Mortgaged Property. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the Mortgaged Property or whether the same shall be then occupied as a homestead or not and the Mortgagee hereunder or any holder of the Note may be appointed as such receiver. Mortgagee or such receiver, as the case may be, shall have power to collect the rents, issues and profits of the Mortgaged Property during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further time when Mortgagor, except for the intervention of Mortgagee or such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Mortgaged Property during the whole of said period. The court from time to time may authorize the Mortgagee or receiver to apply the net income in his hands, after deducting reasonable compensation for the receiver and his counsel as allowed by the court, in payment (in whole or in part) of any or all of any Indebtedness or Obligations secured hereby, including without limitation the items described in Paragraph 7.8 hereinbelow.

(f) Other: Exercise any and all other rights, remedies and recourses granted under the Security Documents or now or hereafter existing in equity, at law, by virtue of statute or otherwise; subject, however, to the provisions of paragraph 9 of the Note which places certain limitations on the recourse which Mortgagee may have against Mortgagor upon the occurrence of an Event of Default.

7.2 Separate Sales: The Mortgaged Property may be sold in one or more parcels and in such manner and order as Mortgagee, in his sole discretion, may elect, it being expressly understood and agreed that the right of sale arising out of any Event of Default shall not be exhausted by any one or more sales.

7.3 Remedies Cumulative, Concurrent and Non-Exclusive: Mortgagee shall have all rights, remedies and recourses granted in the Security Documents and available at law or equity (including specifically those granted by the Uniform Commercial Code in effect and applicable to the Mortgaged Property, or any portion thereof) and same (a) shall be cumulative and concurrent, (b) may be pursued separately, successively or concurrently against Mortgagor, any Guarantor or others obligated under all or any part of the Indebtedness, or against the Mortgaged Property, or against any one or more of them, at the sole discretion of Mortgagee, (c) may be exercised as often as occasion therefor shall arise, it being agreed by Mortgagor that the exercise or failure to exercise any of same shall in no event be construed as a waiver or release thereof or of any other right, remedy or recourse and (d) are intended to be, and shall be, nonexclusive. The foregoing is subject to the provisions of paragraph 9 of the Note which

places certain limitations on the recourse which Mortgagee may have against Mortgagor upon the occurrence of an Event of Default.

7.4 No Conditions Precedent to Exercise of Remedies: Neither Mortgagor, any Borrower nor any other person hereafter obligated for payment of all or any part of the Indebtedness or fulfillment of all or any of the Obligations shall be relieved of such obligation by reason of (a) the failure of Mortgagee to comply with any request of Borrower or of any other person so obligated to foreclose the lien of this Mortgage or to enforce any provisions of the other Security Documents, (b) the release, regardless of consideration, of the Mortgaged Property or the addition of any other property to the Mortgaged Property, (c) any agreement or stipulations between any subsequent owner of the Mortgaged Property and Mortgagee extending, renewing, rearranging or in any other way modifying the terms of the Security Documents without first having obtained the consent of, given notice to or paid any consideration to Borrower or such other person, and in such event Borrower and all such other persons shall continue to be liable to make payment according to the terms of any such extension or modification agreement unless expressly released and discharged in writing by Mortgagee or (d) by any other act or occurrence save and except the complete payment of the Indebtedness and the complete fulfillment of all of the Obligations.

7.5 Release of and Resort to Collateral:

(a) Mortgagee may release, regardless of consideration, any part of the Mortgaged Property without, as to the remainder, in any way impairing, affecting, subordinating or releasing the lien or security interests created in or evidenced by the Security Documents or their stature as a first and prior lien and security interest in and to the Mortgaged Property. For payment of the Indebtedness, Mortgagee may resort to any other security therefor held by Mortgagee in such order and manner as Mortgagee may elect.

(b) Borrower shall have personal liability to Mortgagee for all loss, cost, damage, liability and expense (including reasonable attorneys' fees and costs) incurred by Mortgagee, including but not limited to any loss or damage incurred by reason of a reduction in the market value of the Mortgaged Property, by reason of additional costs or expenses required to market, prepare for sale or sell the Mortgaged Property or by reason of the lack of proper documentation, attachment or perfection of the liens and security interests evidenced by the Security Documents, arising out of or attributable to the following:

(i) waste to any part of the Mortgaged Property caused by Borrower's intentional acts or omissions;

(ii) fraudulent acts of Borrower;

(iii) the breach or inaccuracy of any warranty or representation made by Borrower in the Security Documents or in any documents submitted to Mortgagee hereafter pursuant to a Security Document;

(iv) the application by or for the benefit of Borrower of security deposits made by tenants of the Mortgaged Property in contravention of the applicable leases or of the Security Documents;

(v) the application by or on behalf of Borrower of rents, revenues, issues or profits from the Mortgaged Property, which were collected more than one month in advance of the due date thereof or which were collected after an Event of Default, other than to pay normal operating expenses or capital costs of the Mortgaged Property or sums due under this Note;

(vi) the application in contravention of the Security Documents by or on behalf of Borrower of insurance proceeds and/or condemnation awards with respect to the Mortgaged Property, which are received by or for the benefit of Borrower;

(vii) the failure by Trustee to pay Escrowed Sums for Taxes, as and when due pursuant to Article 10 of this Mortgage prior to any transfer of the Mortgaged Property to Mortgagee, whether by judicial proceedings, by deed in lieu of foreclosure or otherwise;

(viii) the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Property of any Hazardous Substances (as defined under the Mortgage), occurring or arising after the date hereof; and

(ix) any other condition or activity occurring or arising after the date hereof on or with respect to the Property in violation of any Environmental Requirements, as defined in this Mortgage.

(c) Borrower's personal liability for payment of Escrowed Sums for Taxes due prior to any transfer of the Mortgaged Property to Mortgagee, whether by judicial proceeding, deed in lieu of foreclosure or otherwise, shall be reduced by the amount of any payments actually received by Mortgagee from any tenant of the Mortgaged Property for deposit to the tax escrow account as provided in Paragraph 10.1 of this Mortgage, which payments apply to Taxes for periods prior to such transfer.

(d) Each Borrower is and shall be, jointly and severally, directly and primarily liable for the sums owing and to be owing under paragraph 7.5(b) and (c) above, and agree that Mortgagee shall not be required to institute any suit or to exhaust its remedies against the Mortgaged Property (or any other properties, rights, estates, and interests

described in the Security Documents, including without limitation, the Rents), Mortgagor or any other person or party in order to enforce payment of the Note.

(e) Except as otherwise set forth in Paragraphs 7.5(b), (c) and (d) above, Mortgagee's recourse against Borrower for the repayment of the principal and interest due under the Note and all other sums due under the Security Documents shall be limited to the Mortgaged Property. Accordingly, if a breach or default occurs under the Note or the Security Documents:

(i) no attachment, execution, writ or other process shall be sought, and no judicial proceeding shall be initiated, by or on behalf of Mortgagee against Mortgagor as a result of such breach or default unless such attachment, execution, writ or judicial proceeding shall be necessary to enforce any of Mortgagee's rights, remedies or recourses (A) pursuant to Paragraphs 7.5(b), (c) and (d) above or (B) against or with reference to the Mortgaged Property; and

(ii) in the event that any suit is brought for the repayment of principal and/or interest due under the Note, whether before or after maturity of the Note, by acceleration, by passage of time or otherwise (except as provided in Paragraphs 7(b), (c) and (d) above), any judgment obtained in or as a result of such suit shall be enforceable and/or enforced solely against the Mortgaged Property.

(f) It is expressly understood and agreed, however, that nothing contained in this Paragraph 7.5 shall in any manner or way:

(i) constitute or be deemed a release of the debt evidenced by the Note and by the Security Documents or otherwise affect or impair the enforceability of the liens, mortgages, assignments, rights, and security interests created by the Security Documents; or

(ii) prejudice the right of Mortgagee as against Mortgagor or any other person or entity now or hereafter liable under any guaranty, bond, space lease, attornment agreement, policy of insurance or other agreement which Mortgagor or such other person or entity may have given Mortgagee for compliance with any of the terms, covenants or conditions of the Security Documents.

7.6 Waiver of Redemption, Notice and Marshalling of Assets and Claims: To the fullest extent permitted by law, Borrower hereby irrevocably and unconditionally waives and releases:

(a) all benefit that might accrue to Borrower by virtue of any present or future law exempting the Mortgaged Property from attachment, levy or sale on execution or providing for any appraisement, valuation, stay of execution, exemption from civil process, redemption or extension of time for payment, including, without limitation, any

protection afforded by the automatic stay provisions of Section 362 of the Bankruptcy Code;

(b) all notices of any Event of Default (except as may be provided for in Paragraph 6.2 hereinabove) or of Mortgagee's election to exercise or his actual exercise of any right, remedy or recourse provided for under the Security Documents;

(c) any right to a marshalling of assets or a sale in inverse order of alienation;

(d) any and all rights of redemption from sale under any order, judgment or decree of foreclosure of this Mortgage, on its own behalf and on behalf of each and every person acquiring any interest in or title to the Mortgaged Property subsequent to the date of this Mortgage; and

(e) any right to claim an election of remedies by Mortgagee, including, without limitation, any claim that Mortgagee has waived its right to a deficiency judgment by reason of an election of remedies.

Borrower will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Mortgagee, but will suffer and permit the exercise of every such right, power and remedy as though no such law or laws have been made or enacted.

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

7.8 Application of Proceeds: The proceeds of any sale of, and the Rents and other amounts generated by the holding, leasing, operation or other use of, the Mortgaged Property shall be applied by Mortgagee (or the receiver, if one is appointed) as the court in which the complaint to foreclose has been filed may direct or, in the absence of such direction, to the following items of expense, interest and principal in such order of priority as Mortgagee may decide in its sole and absolute discretion:

(a) to the payment of the costs and expenses of taking possession of the Mortgaged Property, of holding, using, leasing, repairing, improving and selling the same and of foreclosure and litigation with respect thereto, including, without limitation (i) trustees' and receivers' fees, (ii) court costs, (iii) reasonable attorneys' and accountants' fees, (iv) costs of advertisement, (v) costs of insurance premiums, water charges and repairs and (vi) the payment of any and all Impositions, liens, security interests or

other rights, titles or interests equal or superior to the lien and security interest of this Mortgage or of the judgment foreclosing this Mortgage (except those to which the Mortgaged Property has been sold subject to and without in any way implying Mortgagee's prior consent to the creation thereof);

(b) to the payment of amounts due upon any judgment entered in any suit foreclosing this Mortgage, including any deficiency judgment in case of a sale and a deficiency;

(c) to the payment of all amounts, other than the principal balance and accrued but unpaid interest which may be due to Mortgagee under this Mortgage or the Security Documents, together with interest thereon as provided therein;

(d) to the payment of all accrued but unpaid interest due on the Note;

(e) to the payment of the principal balance on the Note;

(f) to the extent funds are available therefor out of the sale proceeds or the Rents and, to the extent known by Mortgagee, to the payment of any indebtedness or obligation secured by a subordinate deed of trust on or security interest in the Mortgaged Property; and

(g) to the owner of the Mortgaged Property.

Article 8
CONDEMNATION

8.1 General: Immediately upon its obtaining knowledge of the institution or the threatened institution of any proceeding for the condemnation of the Mortgaged Property, Mortgagor shall notify Mortgagee of such fact. Mortgagor shall then, if requested by Mortgagee, file or defend its claim thereunder and prosecute same with due diligence to its final disposition and shall cause any awards or settlements to be paid over to Mortgagee for disposition pursuant to the terms of this Mortgage. Mortgagor may be the nominal party in such proceedings but Mortgagee shall be entitled to participate in and to control same and to be represented therein by counsel of its own choice, and Mortgagor will deliver, or cause to be delivered, to Mortgagee such instruments as may be requested by it from time to time to permit such participation. If the Mortgaged Property is taken or diminished in value, or if a consent settlement is entered, by or under threat of such proceeding, the award or settlement payable to Mortgagor by virtue of its interest in the Mortgaged Property shall be, and by these presents is, assigned, transferred and set over unto Mortgagee to be held by it, in trust, subject to the lien and security interest of this Mortgage, and disbursed as follows:

(a) if (i) all of the Mortgaged Property is taken, (ii) so much of the Mortgaged Property is taken, or the Mortgaged Property is so diminished in value, that the

remainder thereof cannot (in Mortgagee's judgment) continue to be operated profitably for the purpose it was being used immediately prior to such taking or diminution, (iii) an Event of Default shall have occurred or (iv) the Mortgaged Property is partially taken or diminished in value and (in Mortgagee's judgment) need not be rebuilt, restored or repaired in any manner, then in any such event the entirety of the sums so paid to Mortgagee shall be applied by it in the order recited in Paragraph 8.2 hereinbelow; or

(b) if (i) only a portion of the Mortgaged Property is taken and the portion remaining can (in Mortgagee's judgment), with rebuilding, restoration or repair, be profitably operated for the purpose referred to in Paragraph 8.1(a)(ii) hereinabove, (ii) none of the other facts recited in Paragraph 8.1(a) hereinabove exists, (iii) Mortgagor shall deliver to Mortgagee plans and specifications for such rebuilding, restoration or repair acceptable to Mortgagee, which acceptance shall be evidenced by Mortgagee's written consent thereto, and (iv) Mortgagor shall thereafter commence the rebuilding, restoration or repair and complete same, all in accordance with the plans and specifications and within three (3) months after the date of the taking or diminution in value and shall otherwise comply with Paragraph 4.9 hereinabove, then such sums shall be paid to Mortgagor to reimburse Mortgagor for money spent in the rebuilding, restoration or repair (or, at the option of Mortgagee, jointly to Mortgagor and the persons furnishing labor and/or material incident to such rebuilding, restoration or repair or directly to such persons); otherwise same shall be applied by Mortgagee in the order recited in Paragraph 8.2 hereinbelow.

8.2 Application of Proceeds: All proceeds received by Mortgagee with respect to a taking or a diminution in value of the Mortgaged Property shall be applied in the following order of priority:

(a) first, to reimburse Mortgagee for all costs and expenses, including reasonable attorneys' fees, incurred in connection with collection of the said proceeds; and

(b) thereafter, the balance, if any, shall be applied in the order of priority recited in Paragraph 7.8(c) through (g) hereinabove; provided, however, that if such proceeds are required under Paragraph 8.1(b) hereinabove to be applied to the rebuilding, restoration or repair of the Mortgaged Property, the provisions of Paragraph 4.9 hereinabove shall determine the conditions precedent for utilizing such proceeds for such purpose.

Article 9
ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

9.1 Security Interest: This Mortgage shall be construed as a mortgage on real property. It shall also constitute and serve as an assignment of rents and as a "Security Agreement" on personal property within the meaning of, and shall constitute until the grant of this Mortgage shall terminate as provided in Article 2 hereinabove, a first and prior security interest under, the

Uniform Commercial Code (being the Illinois Uniform Commercial Code--Secured Transactions, as to property within the scope thereof and situated in the State of Illinois) with respect to the Mortgaged Property to the extent the same constitutes personal property or fixtures within the scope of said Uniform Commercial Code. To this end, Borrower has Granted, Bargained, Conveyed, Assigned, Transferred and Set Over, and by these presents does Grant, Bargain, Convey, Assign, Transfer and Set Over, unto Mortgagee, all of Borrower's right, title and interest in and to the Leases and Rents, and a first and prior security interest and all of Borrower's right, title and interest in, to and under the other Collateral, to secure the full and timely payment of the Indebtedness and the full and timely performance and discharge of the Obligations.

9.2 Financing Statements: This Mortgage shall be deemed a "Financing Statement" with respect to the Fixtures. Borrower shall execute and deliver to Mortgagee, in form and substance satisfactory to Mortgagee, such "Financing Statements" and such further assurances as Mortgagee may, from time to time, consider reasonably necessary to create, perfect, and preserve Mortgagee's security interest with respect to such Fixtures or in the other Collateral described above in Paragraph 9.1, and Mortgagee may cause such statements and assurances to be recorded and filed at such times and places as may be required or permitted by law to so create, perfect and preserve such security interest.

9.3 Uniform Commercial Code Remedies: Mortgagee shall have all the rights, remedies and recourses with respect to the Collateral afforded to it by the aforesaid Uniform Commercial Code (being the Illinois Uniform Commercial Code--Secured Transactions, as to Collateral within the scope thereof and situated in the State of Illinois) in addition to, and not in limitation of, the other rights, remedies and recourses afforded Mortgagee by the Security Documents.

9.4 No Obligation of Mortgagee: The assignment and security interest herein granted shall not be deemed or construed to constitute Mortgagee as a mortgagee in possession of the Mortgaged Property, to obligate Mortgagee to lease the Mortgaged Property or attempt to do same, or to take any action, incur any expenses or perform or discharge any obligation, duty or liability whatsoever under any of the Leases or otherwise.

9.5 Payment of Rents to Mortgagor Until Default: Unless and until an Event of Default occurs, Borrower shall be entitled to collect the Rents as and when, but not before, they become due and payable. Mortgagor hereby agrees with Mortgagee that the other parties under the Leases may, upon notice from Mortgagee of the occurrence of an Event of Default, thereafter pay direct to Mortgagee the Rents due and to become due under the Leases and attorn all other obligations thereunder direct to Mortgagee without any obligation on their part to determine whether an Event of Default does in fact exist.

Article 10
ESCROW

10.1 Tax Escrow: In order to implement the provisions of Paragraphs 4.5 hereinabove, Mortgagor shall pay to Mortgagee monthly at the same time and place and in the same manner as payments on the Note, and as Escrowed Sums, an amount reasonably determined by Mortgagee so that such Escrowed Funds will be sufficient to pay one month prior to the due dates thereof, the Taxes (estimated, wherever necessary) to become due and payable during the year following the month for which such payment is made. If Mortgagee reasonably determines that any amounts theretofore paid by Mortgagor are insufficient for the payment in full of such Taxes, Mortgagee shall notify Mortgagor of the increased amounts required to provide a sufficient fund, whereupon Mortgagor shall pay to Mortgagee within thirty (30) days thereafter the additional amount as stated in Mortgagee's notice.

(a) Mortgagor shall pay a one-time tax service set up premium, equal to the base amount of $55.00, plus $8.00 per $100,000.00 increment over $500,000.00 of the face amount of the Note, to set up and service the tax escrow account. Mortgagee shall hold the Escrowed Sums to be used for taxes in an interest-bearing account provided that Mortgagor shall pay an additional charge of $150.00 annually, payable on each anniversary date of the loan.

(b) The Escrowed Sums may be commingled with Mortgagee's other funds and, except as provided above, may be held by Mortgagee in non-interest-bearing accounts. Upon assignment of this Mortgage, Mortgagee shall have the right to pay over the balance of the Escrowed Sums then in its possession to its assignee whereupon the Mortgagee shall then become completely released from all liability with respect thereto. Upon full payment of the Indebtedness or at such earlier time as Mortgagee may elect, the balance of the Escrowed Sums in its possession shall be paid over to Mortgagor and no other party shall have any right or claim thereto.

(c) If no Event of Default shall have occurred and be continuing hereunder, the Escrowed Sums shall be paid directly to the Governmental Authority or other payee entitled thereto. If an Event of Default shall have occurred and be continuing hereunder, however, Mortgagee shall have the additional option of crediting the full amount of the Escrowed Sums against the Indebtedness.

(d) Notwithstanding anything to the contrary contained in this Paragraph 10.1 or elsewhere in this Mortgage, Mortgagee hereby reserves the right to waive (which waiver must be in writing) the payment by Mortgagor to Mortgagee of the Escrowed Sums, and, in the event Mortgagee does so waive such payment, it shall be without prejudice to Mortgagee's rights to insist, at any subsequent time or times, that such payments be made in accordance herewith.

Article 11
MISCELLANEOUS

11.1 Performance at Mortgagor's Expense: The cost and expense of performing or complying with any and all of the Obligations shall be borne solely by Borrower, and no portion of such cost and expense shall be, in any way and to any extent, credited against any installment on or portion of the Indebtedness.

11.2 Survival of Obligations: Each and all of the Obligations shall survive the execution and delivery of the Security Documents, and the consummation of the loan called for therein, and shall continue in full force and effect until the Indebtedness shall have been paid in full.

11.3 Further Assurances: Borrower, upon the request of Mortgagee, will execute, acknowledge, deliver and record and/or file such further instruments and do such further acts as may be necessary, desirable or proper to carry out more effectively the purpose of the Security Documents and to subject to the liens and security interests thereof any property intended by the terms thereof to be covered thereby, including specifically but without limitation, any renewals, additions, substitutions, replacements, betterments or appurtenances to the then Mortgaged Property.

11.4 Recording and Filing: Borrower will cause the Security Documents and all amendments and supplements thereto and substitutions therefor to be recorded, filed, re-recorded and refiled in such manner and in such places as Mortgagee shall reasonably require to perfect and maintain the liens and security interests evidenced by the Security Documents, and will pay all such recording, filing, re-recording and refiling taxes, fees and other charges.

11.5 No Representation by Mortgagee: By accepting or approving anything required to be observed, performed or fulfilled or to be given to Mortgagee pursuant to the Security Documents, including (but not limited to) any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal or insurance policy, Mortgagee shall not be deemed to have warranted, consented to, or affirmed the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition thereof, and such acceptance or approval thereof shall not be or constitute any warranty, consent or affirmation with respect thereto by Mortgagee.

11.6 Notices: All notices or other communications required or permitted to be given pursuant to this Mortgage shall be in writing and shall be considered as properly given if mailed by first class United States mail, postage prepaid, registered or certified with return receipt requested, or by delivering same in person or by courier to the intended addressee or by facsimile transmission. Notice so mailed shall be effective upon the expiration of three (3) business days after its deposit. Notice so delivered shall be effective at the time of delivery. Notice given in any other manner shall be effective only if and when received by the addressee. For purposes of notice, the addresses of Trustee and Mortgagee shall be as set forth in the opening recital hereinabove and the addresses of Beneficiary and Guarantor shall be the same as that given for

Trustee; provided, however that either party shall have the right to change its address for notice hereunder to any other location within the United States [or Canada] by the giving of thirty (30) days' notice to the other party in the manner set forth hereinabove.

11.7 Mortgagee's Consent: In any instance hereunder where Mortgagee's prior approval or consent is required to be obtained by Mortgagor or otherwise, or Mortgagee's judgment is required to be exercised as to any matter (excluding any decisions required under Paragraph 8.1(a) hereinabove or any other decisions affecting the operation or development of the Mortgaged Property), the granting or denial of such approval or consent and the exercise of such judgment shall be within the sole discretion of Mortgagee, and Mortgagee shall not, for any reason and to any extent, be required to grant such approval or consent or exercise such judgment in any particular manner regardless of the reasonableness of either the request or Mortgagee's judgment. Notwithstanding the foregoing, in determining whether to consent or approve any request made by Mortgagor hereunder as to matters pertaining to the operation or development of the Mortgaged Property, Mortgagee shall exercise its judgment in a commercially reasonable manner.

11.8 No Waiver: Any failure by Mortgagee to insist, or any election by Mortgagee not to insist, upon strict performance by Mortgagor of any of the terms, provisions or conditions of the Security Documents shall not be deemed to be a waiver of same or of any other term, provision or condition thereof and Mortgagee shall have the right at any time or times thereafter to insist upon strict performance by Mortgagor of any and all of such terms, provisions and conditions.

11.9 Mortgagee's Right to Perform the Obligations: If Borrower shall fail, refuse or neglect to make any payment or perform any act required by the Security Documents then at any time after the expiration of any applicable notice and cure period hereunder (or sooner in the case of an emergency), and without further notice to or demand upon Borrower and without waiving or releasing any other right, remedy or recourse Mortgagee may have because of same, Mortgagee may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of Borrower, and shall have the right to enter the Land and Buildings for such purpose and to take all such actions and expend such sums thereon and with respect to the Mortgaged Property as it may deem necessary or appropriate.

(a) Mortgagor shall pay or reimburse Mortgagee and indemnify Mortgagee against any and all such expenses and costs, including without implied limitation, the cost and expense of evaluating, monitoring, administering and protecting the Mortgaged Property, and creating, perfecting and realizing upon Mortgagee's security interests in and liens on the Mortgaged Property, including without implied limitation, all appraisal fees, consulting fees, filing fees, taxes, brokerage fees and commissions, fees incident to security interest, lien and other title searches and reports, escrow fees, reasonable attorneys' fees and expenses, court costs, auctioneer fees and other expenses incurred in connection with liquidation or sale of the Mortgaged Property.

(b) If Mortgagee shall elect to pay any Imposition or other sums due with reference to the Mortgaged Property, Mortgagee may do so in reliance on any bill, statement or assessment procured from the appropriate Governmental Authority or other issuer thereof without inquiring into the accuracy or validity thereof. Similarly, in making any payments to protect the security intended to be created by the Security Documents, Mortgagee shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same.

(c) Mortgagor shall pay Mortgagee for any expenses incurred by Mortgagee, and shall indemnify Mortgagee against all losses, expenses, damage, claims and causes of action, including reasonable attorneys' fees, incurred or accruing by reason of any acts performed by Mortgagee pursuant to the provisions of this Paragraph 11.9 or by reason of any other provision in the Security Documents.

(d) All sums paid by Mortgagee pursuant to this Paragraph 11.9, and all other sums expended by Mortgagee to which it shall be entitled to be indemnified, shall bear interest at the lesser of (i) the Default Rate provided in the Note, or (ii) the maximum nonusurious rate of interest from time to time permitted by applicable law, from the date of such payment or expenditure until repayment thereof.

(e) All of the aforementioned sums together with the interest thereon shall constitute additions to the Indebtedness, shall be secured by the Security Documents and shall be paid by Mortgagor to Mortgagee upon demand.

11.10 Covenants Running with the Land: All obligations contained in the Security Documents are intended by the parties to be, and shall be construed, as covenants running with the Mortgaged Property.

11.11 Successors and Assigns: All of the terms of the Security Documents shall apply to, be binding upon and inure to the benefit of the parties thereto, their successors, assigns, heirs and legal representatives, and all other persons claiming by, through or under them.

11.12 Severability: The Security Documents are intended to be performed in accordance with, and only to the extent permitted by, all applicable Legal Requirements. If any provision of any of the Security Documents or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable neither the remainder of the instrument in which such provision is contained nor the application of such provision to other persons or circumstances nor the other instruments referred to hereinabove shall be affected thereby, but rather shall be enforced to the greatest extent permitted by law. It is hereby expressly stipulated and agreed to be the intent of Mortgagor and Mortgagee to at all times comply with the usury, and all other laws relating to the Security Documents. Reference is here made to the provisions of the Note regarding and limiting collection of interest and compliance with the applicable usury laws, which provisions shall control over any contrary or conflicting provisions in any other

Security Document. Reference is also here made to the provisions of the Assignment of Rents described in Paragraph 1.1(a) hereof, which provisions shall control to the extent of any conflict between (i) the provisions of such Assignment of Rents and (ii) the conveyance to the Mortgagee in Article 2 hereof, or grant of a security interest in the Leases and Rents in Article 9 hereof or any other provision of this Mortgage. It is the intention of Mortgagee and Mortgagor that Article 2 and Article 9 hereof, to the extent such articles convey in trust or grant a security interest in the Rents and other amounts covered by the Assignment of Rents, shall be effective only if and to the extent the Assignment of Rents is invalid and unenforceable or the rights of Mortgagee under the Assignment of Rents are reassigned to Mortgagor.

11.13 Entire Agreement and Modification: The Security Documents contain the entire agreements between the parties relating to the subject matter hereof and thereof and all prior agreements relative hereto which are not contained herein or therein are terminated. The Security Documents may not be amended, revised, waived, discharged, released or terminated orally but only by a written instrument or instruments executed by the party against which enforcement of the amendment, revision, waiver, discharge, release or termination is asserted. Any alleged amendment, revision, waiver, discharge, release or termination which is not so documented shall not be effective as to any party.

11.14 Counterparts: This Mortgage may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute but one instrument.

11.15 Applicable Law and Construction: The Security Documents shall be governed by and construed according to the laws of the State where the Land is situated. Mortgagor and Mortgagee have each been represented by legal counsel licensed to practice law in the state where the Mortgaged Property is located. Both Borrower and Mortgagee are knowledgeable and experienced with respect to transactions of the type evidenced by the Security Documents. It is the intent of Borrower and Mortgagee that the Security Documents be construed fairly without bias for or prejudice against either party regardless of which party or which party's counsel may have originated any of such Security Documents.

11.16 No Partnership: Nothing contained in the Security Documents is intended to, or shall be construed as, creating to any extent and in any manner whatsoever any partnership, joint venture or association between Borrower and Mortgagee, or in any way make Mortgagee co-principals with Borrower with reference to the Mortgaged Property, and any inferences to the contrary are hereby expressly negated.

11.17 Subrogation: If any or all of the proceeds of the Note have been used to extinguish, extend or renew any indebtedness heretofore existing against the Mortgaged Property and disclosed by Mortgagee to Mortgagor at or prior to the date hereof, then, to the extent of such funds so used, the Indebtedness and this Mortgage shall be subrogated to all of the rights, claims, liens, titles and interests heretofore existing against the Mortgaged Property to secure the indebtedness so extinguished, extended or renewed and the former rights, claims, liens, titles and interests, if any, are not waived but rather are continued in full force and effect in favor of

Mortgagee and are merged with the lien and security interest created herein as cumulative security for the repayment of the Indebtedness and the satisfaction of the Obligations.

11.18 Headings: The insertion of Article, Paragraph and Subparagraph entitlements and the underlining of words or phrases herein are used for convenience of reference only and shall in no way alter, modify or define, or be used in construing, the text or meaning of such Articles, Paragraphs, Subparagraphs, words or phrases.

11.19 Arbitration: Except with respect to a claim for equitable relief, whereupon a court of competent jurisdiction shall be the proper forum for disposition, or any claim made by Mortgagee arising by reason of an Event of Default, whereupon the remedies specified in Article 7 hereof shall apply, any controversy or claim arising out of or relating to the Indebtedness or any of the Security Documents shall be settled by arbitration upon the demand of either party. Such demand shall be made in writing and given to the other party, and shall specify the controversy or claim to be settled. Any such arbitration shall be conducted as follows:

(a) there shall be three arbitrators, one each selected by Borrower and Mortgagee; the two arbitrators so selected shall select the third arbitrator;

(b) at least one such arbitrator shall be a lawyer with experience in commercial real estate transactions;

(c) arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association, then existing;

(d) all decisions of the arbitrators shall be final and binding on Mortgagee and Borrower and judgment on the arbitration award may be entered in any court having jurisdiction thereof;

(e) the parties to arbitration shall be entitled to full discovery and motions practice to the extent permitted in proceedings brought in the trial courts of general jurisdiction in the State of Illinois; and

(f) fees for such arbitration, including arbitrator's compensation or expenses, recording services, post-award charges incurred by the parties in enforcing the award and fees of the American Arbitration Association, if any, shall be paid by the party requesting arbitration.

11.20 Trustee Exculpation: This instrument is executed by the undersigned Trustee, not personally but solely as Trustee in the exercise of the power and authority conferred upon and vested in it as such Trustee. It is expressly understood and agreed that all of the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee are undertaken by it solely in its capacity as Trustee and not personally. It is further understood and agreed that the Trustee merely holds title to the property herein described

and has no agents, employees or control over the management of the property and no knowledge of other factual matters except as represented to it by the beneficiary(ies) of the Trust. No personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the Trustee on account of any warranty, indemnity, representation, covenants, undertaking or agreement of the Trustee in this instrument, all such liability being expressly waived by every person now or hereafter claiming any right or security hereunder, and the owner of any indebtedness of Trustee or cause of action against Trustee for breach of any warranty, indemnity, representation, covenants, undertaking or agreement accruing hereunder shall look solely to the Trust estate for the payment thereof.

EXECUTED effective as of the date hereinabove first set forth.

TRUSTEE:
HERITAGE TRUST COMPANY, as trustee aforesaid and not personally

By: Linda Lee Lutz
Name: LINDA LEE LUTZ
Title: Land Trust Officer

ATTEST:

Name: [illegible]
Title: Asst. Secretary

94853287

STATE OF ILLINOIS

COUNTY OF Cook

This instrument was acknowledged before me on the 29 day of September, 1994, by Linda Lee Lutz, the Land Trust Officer ~~Vice President~~ and Lynda A. Metz, Assistant Secretary of HERITAGE TRUST COMPANY ~~as Trustee~~ aforesaid and not personally.

"OFFICIAL SEAL"
Margaret A. Wilder
Notary Public, State of Illinois
My Commission Expires Aug. 17, 1998

Notary Public in and for
The State of ILLINOIS

My Commission Expires:

94853287

PREPARED BY AND UPON
RECORDING RETURN TO:

John L. Wahlers, Esq.
Fischer, Kendle & Wahlers
221 North LaSalle Street, Suite 3410
Chicago, Illinois 60601

mlj c:\gw\crest\mort&sec.agm
09/27/94 15:30

JOINDER TO MORTGAGE BY BENEFICIARY

FOR GOOD AND VALUABLE CONSIDERATION RECEIVED, the undersigned, PALOS PARTNERS, II, being sole owner of 100% of the beneficial interest in the Trust which is the mortgagor under the foregoing Mortgage, and the sole holder of the power of direction of said Trust, joins in the execution of said Mortgage and hereby:

(a) adopts, consents to, remakes and restates all covenants, representations and warranties contained in the Mortgage, and intends hereby to be personally bound by and liable thereon and for the performance thereof to the extent stated in said Mortgage;

(b) consents to and joins in the granting of the security interests and the assignment of the Leases and Rents contained in the Mortgage, intending hereby to bind any interest the undersigned and the undersigned's successors and assigns may have in the Mortgaged Property and the Collateral described in the Mortgage, as fully and with the same effect as if the undersigned were named as the debtor and assignor in the security agreement contained in the Mortgage;

(c) acknowledges and consents to the restrictions on transfer contained in the Mortgage, including the restrictions on transfer of the beneficial interest in the Trust and on transfer of the general partnership interests in the undersigned;

(d) has or will duly authorize and direct the Trustee to execute and deliver the Mortgage; and

(e) acknowledges and consents to the waiver of the statutory right of redemption and other waivers of the rights and remedies of the Trustee or the undersigned contained in the Mortgage.

IN WITNESS WHEREOF, the undersigned have executed this Joinder as of the 29th day of September, 1994.

PALOS PARTNERS, II, an Illinois general partnership

By: P.R.M. Investments, Inc., general partner

By: _____
Paul R. McNaughton, President

By: Mercury Partners 45 CC, Inc., general partner

By: _____
Brian J. Flanagan, President

STATE OF ILLINOIS)
)
COUNTY OF Cook)

This instrument was acknowledged before me on the 29 day of September, 1994, by Paul R. McNaughton, President of P.R.M. Investments, Inc., and Brian J. Flanagan, President of Mercury Partners 45 CC, Inc., both general partners of PALOS PARTNERS, II, an Illinois general partnership.

Vernadine Lumpkin
Notary Public in and for
the State of ILLINOIS

VERNADINE LUMPKIN
Notary's Name Printed

My Commission Expires:

"OFFICIAL SEAL"
Vernadine Lumpkin
Notary Public, State of Illinois
My Commission Expires 8/14/98

mlj c:\gw\crest\mort&sec.agm
09/27/94 15:30

94853287

EXHIBIT "A"

Legal Description

THAT PART OF THE SOUTH 377.0 FEET OF THE NORTH 427.00 FEET OF THE NORTH WEST 1/4 OF SECTION 36, LYING EAST OF THE EAST LINE OF THE WEST 825.78 FEET OF THE NORTH WEST 1/4 OF SAID SECTION 36 AND LYING WEST OF A LINE 1596.71 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF THE NORTH WEST 1/4 AFORESAID (SAID LINE 1596.71 FEET WEST ALSO BEING THE WESTERLY RIGHT OF WAY LINE OF CARRIAGE WAY, AS HERETOFORE DEDICATED IN HILLCREST SUBDIVISION, RECORDED APRIL 1, 1970, AS DOCUMENT NUMBER 21123956) ALL IN TOWNSHIP 36 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS."

COMMON PROPERTY ADDRESSES: 17500-516 CARRIAGE WAY DRIVE
HAZEL CREST, ILLINOIS 60429

PERMANENT INDEX NUMBERS: 28-36-100-016

EXHIBIT B

Permitted Encumbrances

1. Taxes for the year 1994 and subsequent years.

2. Existing unrecorded leases as disclosed by ALTA Statement dated January 28, 1994 and all rights thereunder of the Lessees and of any person or party claiming by, through or under the Lessees.

3. Grant of Easement made by Exchange National Bank of Chicago, as Trustee under Trust No. 28183 with Exchange National Bank of Chicago, as Trustee under Trust No. 28134 recorded November 30, 1973 as Document 22559096 granting the following easement:

   A non-exclusive, private easement for ingress and egress over the portion of any parking lot or lots on the land which is ordinarily used for the passage of automobiles and other vehicles.

4. Easement in, upon, under, over and along the land to install and maintain all equipment for the purpose of serving the land and other property with telephone and electric service, together with right of access to said equipment, as created by grant to the Commonwealth Edison Company and the Illinois Bell Telephone Company recorded January 30, 1979 as Document 24822757.

5. Grant of Easement recorded October 16, 1980 as Document 25626963 made by Central National Bank in Chicago, a corporation of Illinois, as Trustee under Trust Agreement dated August 31, 1978 and known as Trust No. 23373, to the Commonwealth Edison Company, a corporation of Illinois, its successors and assigns, for public utilities purposes, to install their electric facilities in and upon that part of the land as shown on Exhibit "A" and granting them the right to operate, maintain, repair, renew, replace and remove their installed facilities, but owner reserves the right to require them to relocate their facilities to alternate, mutually agreed upon locations.

6. Reciprocal Easement Agreement recorded August 28, 1985 as Document 85166672 made by LaSalle National Bank, as Trustee under Trust No. 10-23373-08 and LaSalle National Bank, as Trustee under Trust No. 10-24479-08 for non-exclusive ingress and egress of motor vehicles and pedestrians and for rental sign.

(Affects part of land described in said document).