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Loan No. _____

94208264

94208264

① 5/30/96 ASD MBS

MORTGAGE AND SECURITY AGREEMENT (Fee)

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO,
AS TRUSTEE OF TRUST NO. 57792

to

FORTIS BENEFITS INSURANCE COMPANY

Dated: March 1, 1994

Location: 20-24 East Chicago Avenue
Chicago, Illinois

DEPT-01 RECORDING \$97.50

7:11:11 TRAN 4586 03/08/94 11:11:00

4886 *54-208264
COOK COUNTY RECORDER

THIS INSTRUMENT WAS PREPARED BY
AND UPON RECORDATION RETURN TO:

Kelley Dye & Warren
303 West Madison Street
Chicago, Illinois 60606



Attention: Michael J. Hornbrook, Esq.

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MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (this "Mortgage") is made as of the 1st day of March, 1994, between **AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO**, not personally but solely as Trustee under that certain Trust Agreement dated May 18, 1983 and known as Trust No. 57792 (the "Mortgagor"), and **FORTIS BENEFITS INSURANCE COMPANY**, a Minnesota corporation, having an office and place of business located at 500 Bielenberg Drive, Woodbury, Minnesota 55125 (the "Mortgagee").

W I T N E S S E T H:

WHEREAS, the Mortgagor is the owner of a fee estate in the premises described in Exhibit A attached hereto and made a part hereof (the "Premises"); and

WHEREAS, the Mortgagee requires this Mortgage to be made, executed and delivered and the Mortgagor, at the direction of John Apostolou, as Trustee of the John Apostolou Trust dated June 20, 1985 desires to make, execute and deliver this Mortgage in consideration of the making of the loan by Mortgagee;

WHEREAS, the Mortgagor requires John Apostolou, as trustee aforesaid and John Apostolou, individually (hereinafter collectively referred to as "Beneficiary"), to join in this Mortgage for the purpose of making, ratifying, confirming and publishing the warranties, indemnities, representations, covenants, undertakings and agreements set forth in this Mortgage;

NOW, THEREFORE, to secure the payment in full of an indebtedness in the principal sum of One Million Nine Hundred Thousand and 00/100 Dollars (\$1,900,000.00), lawful money of the United States of America, to be paid with interest (said indebtedness, interest, late charges, prepayment premiums and all other sums which may or shall become due hereunder being hereinafter collectively referred to as the "Debt") according to a certain mortgage note dated the date hereof given by the Mortgagor in favor of the Mortgagee (the "Note"), and any renewals, extensions, modifications or replacements of the Note, the Mortgagor has mortgaged, given, granted, bargained, sold, aliened, enfeoffed, conveyed, confirmed and assigned, and by these presents does mortgage, give, grant, bargain, sell, alien, enfeoff, convey, confirm and assign unto the Mortgagee forever all right, title and interest of the Mortgagor now owned, or hereafter acquired, in and to the following property, rights and interests (such property, rights and interests being hereinafter collectively referred to as the "Mortgaged Property"):

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- (a) the Premises;
- (b) all buildings and other structures and improvements now or hereafter located on the Premises (the "Improvements");
- (c) all of the estate, right, title, claim or demand of any nature whatsoever of the Mortgagor, either in law or in equity, in possession or expectancy, in and to the Mortgaged Property or any part thereof;
- (d) all easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments, and appurtenances, revision or revisions, remainder or remainders of any nature whatsoever, in any way belonging, relating or pertaining to the Mortgaged Property (including, without limitation, any and all development rights, air rights or similar or comparable rights of any nature whatsoever now or hereafter appurtenant to the Premises or now or hereafter transferred to the Premises) and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Premises to the center line thereof;
- (e) all machinery, apparatus, equipment, fittings, fixtures and other property of every kind and nature whatsoever and all additions thereto and renewals and replacements thereof, and all substitutions therefor now owned or hereafter acquired by the Mortgagor, or in which the Mortgagor has or shall have an interest, now or hereafter located upon or in, or attached to, any portion of the Mortgaged Property, or appurtenances thereto, and used or usable in connection with the present or future operation and occupancy of the Mortgaged Property and all building equipment, materials and supplies of any nature whatsoever owned by the Mortgagor, or in which the Mortgagor has or shall have an interest, now or hereafter located upon the Mortgaged Property (collectively, the "Equipment") (other than fixtures, equipment, machinery or other property of tenants under any lease of or rental agreement for space in the Mortgaged Property), including the interest of the Mortgagor in all of the aforesaid which are subject to lease agreements or other service contracts (but excluding the interest of the lessor or owner of such items), and including all extensions, additions, improvements, betterments, after-acquired property, renewals, replacements and substitutions, or proceeds from a sale of any of the foregoing, and the right, title and interest of the Mortgagor in and to any of the Equipment which may be subject to any security agreements (as defined in the Uniform Commercial Code of the State in which the Mortgaged Property is located; the "Uniform Commercial Code"), superior in lien to the lien of this Mortgage and all proceeds and products of any of the above, and all inventory, accounts, chattel paper, documents, equipment, fixtures, farm products, consumer goods and general intangibles constituting proceeds acquired with cash proceeds of any of the property described hereinabove, all of which are hereby declared

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and shall be deemed to be fixtures and accessions to, and a part of, the Mortgaged Property as between the parties hereto and all persons claiming by, through or under them, and which shall be deemed to be a portion of the security for the indebtedness herein described and to be secured by this Mortgage;

(f) all awards or payments, including interest thereon, and the right to receive the same, which may be made with respect to the Mortgaged Property, whether from the exercise of the right of eminent domain (including any transfer made in lieu of the exercise of said right), or for any other injury to or decrease in the value of the Mortgaged Property and the reasonable attorneys' fees, costs and disbursements incurred by the Mortgagee in connection with the collection of such award or payment;

(g) all leases and other agreements affecting the use or occupancy of the Mortgaged Property or any part thereof now or hereafter entered into (the "Leases") and absolutely and presently the right to receive and apply the income, rents, issues, cash collateral, revenues, royalties, benefits and profits of the Mortgaged Property from time to time accruing, including, without limitation, all payments under Leases or tenancies, proceeds of insurance, tenant security deposits and escrow funds (the "Rents") to the payment of the Debt; reserving only the right, power and authority given to the Mortgagor as a licensor to collect and apply the same prior to the occurrence of an Event of Default hereunder and so long as the same are not subjected to garnishment, levy, attachment or lien;

(h) all proceeds of and any unearned premiums on any insurance policies covering the Mortgaged Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Mortgaged Property;

(i) the right, in the name and on behalf of the Mortgagor, to appear in and defend any action or proceeding brought with respect to the Mortgaged Property and to commence any action or proceeding to protect the interest of the Mortgagee in the Mortgaged Property; and

(j) all and singular the rights, members and appurtenances whatsoever, in any way belonging, relating or appertaining to any of the Mortgaged Property hereinabove mentioned or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by the Mortgagor.

TO HAVE AND TO HOLD the above granted and described Mortgaged Property unto and to the proper use and benefit of the Mortgagee, and the successors and assigns of the Mortgagee, forever.

AND the Mortgagor covenants and agrees with and represents and warrants to

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the Mortgagee as follows:

ARTICLE I - COLLATERAL

1. Payment of Debt. The Mortgagor will pay the Debt at the time and in the manner provided for its payment in the Note and in this Mortgage.

2. Warranty of Title; Other Representations and Warranties.

(a) The Mortgagor represents to and covenants with the Mortgagee and Beneficiary represents and warrants to and covenants with the Mortgagee that title to the Premises, the Improvements, the Equipment and the balance of the Mortgaged Property, are free and clear of all liens, charges, interests and encumbrances whatsoever, except for the title exceptions shown on Exhibit B attached hereto and made a part hereof and the Mortgagor further represents to and covenants with the Mortgagee and Beneficiary represents and warrants to and covenants with the Mortgagee that this Mortgage is and shall remain a first priority lien on the Mortgaged Property.

(b) The Mortgagor also represents to and covenants with the Mortgagee and Beneficiary represents and warrants to and covenants with the Mortgagee that: (i) the Mortgagor and/or Beneficiary is now, and after giving effect to this Mortgage, will be in a solvent condition, (ii) there has been no material adverse change in the financial condition of the Mortgagor and/or Beneficiary, any other guarantor of the Debt or the performance by the Mortgagor and/or Beneficiary of any of the terms of this Mortgage (a "Guarantor") since the date of Beneficiary's application for the loan secured hereby, (iii) neither the Mortgagor nor the Beneficiary is in default under any note, loan or security agreement to which it is a party, (iv) the execution and delivery of this Mortgage by the Mortgagor does not constitute a "fraudulent conveyance" within the meaning of Title 11 of the United States Code as now constituted or under any other applicable statute, (v) no bankruptcy or insolvency proceedings are pending or contemplated by or against the Mortgagor or Beneficiary, and (vi) there are no existing, threatened or pending actions or proceedings affecting any portion of the Mortgage Property except for possible negligence actions or proceedings which are fully covered by insurance.

(c) The Mortgagor additionally represents to and covenants with the Mortgagee and Beneficiary represents and warrants to and covenants with the Mortgagee that: (i) the Mortgagor has full power, authority and legal right to execute this Mortgage, and to mortgage, give, grant, bargain, sell, alien, enfeoff, convey, confirm and assign the Mortgaged Property pursuant to the terms hereof and to keep and observe all of the terms of this Mortgage on the Mortgagor's part to be performed, (ii) if the Mortgagor is a corporation, the Mortgagor is a duly organized and presently existing corporation and this Mortgage has been executed by authority of its Board of Directors and with the requisite consent of the holders of the outstanding shares of its capital stock

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entitled to vote thereon, if such consent is required under the provisions of the certificate of incorporation of the Mortgagor, and (iii) if the Mortgagor is a partnership, the Mortgagor is a duly authorized and validly existing [general/limited] partnership and this Mortgage has been executed by a duly authorized general partner.

(d) The Mortgagor further represents to and covenants with the Mortgagee and Beneficiary represents and warrants to and covenants with the Mortgagee that: (i) Beneficiary does not own and will not own any encumbered asset or property other than (aa) the Mortgaged Property, and (bb) incidental personal property necessary for the ownership or operation of the Mortgaged Property; (ii) Beneficiary will not engage in any business other than ownership, management and operation of the Mortgaged Property and Beneficiary will conduct and operate its business as presently conducted and operated; (iii) neither the Mortgagor nor Beneficiary has incurred and will not incur any indebtedness, secured or unsecured, direct or indirect, absolute or contingent (including guaranteeing any obligation), other than (aa) the Debt, and (bb) trade and operational debt incurred in the ordinary course of business with trade creditors and in amounts as are normal and reasonable under the circumstances (no indebtedness other than the Debt may be secured by the Mortgaged Property); (iv) neither the Mortgagor nor Beneficiary has made and will not make any loans or advances to any third party; (v) Beneficiary will be, and at all times will hold itself out to the public as, a legal entity separate and distinct from any other entity; and (vi) Beneficiary will maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations.

3. Insurance.

(a) The Mortgagor and/or Beneficiary will keep the Improvements and the Equipment insured with (i) "all risks" extended coverage against loss or damage by fire, vandalism, malicious mischief and such other hazards as the Mortgagee shall from time to time require, in amounts approved by the Mortgagee, which amounts shall in no event be less than 100% of the full replacement cost of the Improvements and the Equipment, with an agreed amount endorsement and replacement cost endorsement and shall be sufficient to meet all applicable co-insurance requirements, (ii) boiler and machinery insurance covering physical damage to the Improvements and Equipment and any other major components of any central HVAC system and such other equipment as the Mortgagee may require, (iii) business income insurance sufficient to cover one (1) year's gross receipts from the Mortgaged Property, and (iv) comprehensive general liability insurance against claims for personal injury and property damage. The Mortgagor and/or Beneficiary will also maintain such other forms of insurance coverage with respect to the Mortgaged Property as the Mortgagee shall from time to time require in amounts approved by the Mortgagee. If the Premises are improved, and any portion thereof is located in the then applicable 100 year flood plan or in a Federally designated

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"special flood hazard area", in addition to the other policies of insurance required under this paragraph (the "Policies"), a flood insurance policy acceptable in all respects to the Mortgagee shall be delivered by the Mortgagor to the Mortgagee. If no portion of the Premises is located in the then applicable 100 year flood plain or in a Federally designated "special flood hazard area" such fact shall be substantiated by a certificate in form satisfactory to the Mortgagee from a licensed surveyor, appraiser or professional engineer or other qualified person satisfactory to the Mortgagee in accordance with applicable regulations.

(b) The Mortgagor and/or Beneficiary shall at all times comply with and shall cause the Improvements and Equipment and the use, occupancy, operation, maintenance, alteration, repair and restoration thereof to comply with the terms, conditions, stipulations and requirements of the Policies. All Policies shall be issued by insurers having a minimum policy holders rating of "A" per the latest rating publication of Property and Casualty Insurers by A.M. Best Company and who are lawfully doing business in the State in which the Mortgaged Property is located and are otherwise acceptable in all respects to the Mortgagee. All Policies shall, with respect to the Premises and the Improvements, contain the standard mortgagee non-contribution clause endorsement or an equivalent endorsement and, with respect to the Equipment, contain a lender's loss payable clause endorsement or an equivalent endorsement, all naming the Mortgagee as the person to which all payments made by the insurer thereunder shall be paid, naming the Mortgagee as an additional insured on required liability policies and otherwise in form and substance satisfactory in all respects to the Mortgagee. The Mortgagor and Beneficiary hereby assign the proceeds of the Policies to the Mortgagee and directs and authorizes hereby each insurance company to make payment for loss directly to the Mortgagee, as its interest may appear. All Policies shall provide that the coverages evidenced thereby shall not be terminated or materially modified without thirty (30) days prior written notice to the Mortgagee. Blanket insurance policies shall not be acceptable for the purposes of this paragraph unless otherwise approved to the contrary by the Mortgagee. The Mortgagor and/or Beneficiary shall pay the premiums for the Policies as the same become due and payable. At the request of the Mortgagee, the Mortgagor and/or Beneficiary will deliver the Policies to the Mortgagee. Not later than thirty (30) days prior to the expiration date of each of the Policies, the Mortgagor and/or Beneficiary will deliver to the Mortgagee a renewal policy or policies marked "premium paid" or accompanied by other evidence of payment of premium satisfactory to the Mortgagee. If at any time the Mortgagee is not in receipt of written evidence that all insurance required hereunder is in full force and effect, the Mortgagee shall have the right, without notice to the Mortgagor or Beneficiary, to take such action as the Mortgagee deems necessary to protect its interest in the Mortgaged Property, including, without limitation, the obtaining of such insurance coverage as the Mortgagee in its sole discretion deems appropriate, and all expenses incurred by the Mortgagee in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by the Mortgagor and/or Beneficiary to the Mortgagee upon

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demand and until paid shall be secured by this Mortgage in accordance with Paragraph 7 of Article II hereof.

(c) If the Mortgaged Property shall be damaged or destroyed, in whole or in part, by fire or other property hazard or casualty, the Mortgagor and/or Beneficiary shall give prompt notice thereof to the Mortgagee. Sums paid to the Mortgagee by any insurer may be retained and applied by the Mortgagee toward payment of the Debt, whether or not then due and payable, in such order, priority and proportions as the Mortgagee in its discretion shall deem proper or, at the discretion of the Mortgagee, the same may be paid, either in whole or in part, to the Mortgagor for such purposes as the Mortgagee shall designate. If the Mortgagee shall receive and retain such insurance proceeds, the lien of this Mortgage shall be reduced only by the amount thereof received and retained by the Mortgagee and actually applied by the Mortgagee in reduction of the Debt. The Mortgagee shall not be obligated to see to the proper application of insurance money paid over to the Mortgagor and/or Beneficiary, and if the Mortgagee receives and retains any insurance proceeds, the lien of this Mortgage shall be affected only by a reduction of the amount of said lien by the amount of such insurance money so received and retained by the Mortgagee. ~~Nevertheless~~, if prior to the receipt by the Mortgagee of any insurance proceeds, the Premises shall have been sold on foreclosure of this Mortgage, as between the Mortgagor and/or Beneficiary and the Mortgagee, the Mortgagee shall have the right to receive said insurance proceeds, and the Mortgagor and/or Beneficiary shall pay over to the Mortgagee said insurance proceeds as, if and when the Mortgagor and/or Beneficiary receives same, to the extent of (i) any deficiency found to be due upon such sale, with legal interest thereon, whether or not a deficiency judgment on this Mortgage shall have been sought or recovered, and (ii) of the attorneys' fees, costs and disbursements incurred by the Mortgagee in connection with the collection of such insurance proceeds. All remaining right, title and interest of the Mortgagor and/or Beneficiary in and to all policies of insurance required by this Paragraph 3 shall inure to the benefit of and pass to the successor-in-interest to the Mortgagor and/or Beneficiary or the purchaser or grantee of the Mortgaged Property. The Mortgagor and/or Beneficiary hereby appoint the Mortgagee attorney-in-fact to endorse any checks, drafts or other instruments representing any proceeds of such insurance, whether payable by reason of loss thereunder or otherwise.

4. Payment of Taxes, etc. The Mortgagor and/or Beneficiary shall pay all taxes, assessments, water rates, sewer rents and other charges, including vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Premises, now or hereafter levied or assessed against the Mortgaged Property (collectively, the "Taxes") prior to the date upon which any fine, penalty, interest or cost may be added thereto or imposed by law for the nonpayment thereof, and, in default thereof, the Mortgagee may, in its sole discretion, but shall not be obligated to, pay same (all such payments to be secured hereby in accordance with Paragraph 7 of Article II hereof), and the Mortgagor and/or Beneficiary shall reimburse the Mortgagee upon demand for such

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expenditures. The Mortgagor and/or Beneficiary shall deliver to the Mortgagee, within thirty (30) days of payment and otherwise upon request, receipts bills, cancelled checks and other evidence satisfactory to the Mortgagee evidencing the payment of the Taxes prior to the date upon which any fine, penalty, interest or cost may be added thereto or imposed by law for the nonpayment thereof.

5. Escrow Fund. (a) The Mortgagor and/or Beneficiary will pay to the Mortgagee on the first day of each calendar month one-twelfth of an amount (the "Escrow Fund") which would be sufficient to pay, on the first day of the month preceding the month in which they become due, the Taxes and the premiums on all Policies (the "Premiums") payable, or estimated by the Mortgagee to be payable, during the ensuing twelve (12) months. The Mortgagee will apply the Escrow Fund to the payment of Taxes and the Premiums which are required to be paid by the Mortgagor pursuant to the provisions of this Mortgage. If the amount of the Escrow Fund shall exceed the amount of the Taxes and the Premiums payable by the Mortgagor pursuant to the provisions of this Mortgage, the Mortgagee shall, in its discretion, (i) return any excess to the Mortgagor or Beneficiary or (ii) credit such excess against future payments to be made to the Escrow Fund. In allocating such excess, the Mortgagee may deal with the person shown on the records of the Mortgagee to be the owner of the Mortgaged Property. If the Escrow Fund is not sufficient to pay the Taxes and/or the Premiums, as the same become payable, the Mortgagor and/or Beneficiary shall pay to the Mortgagee, upon request, an amount which the Mortgagee shall estimate as sufficient to make up the deficiency. Until expended or applied as above provided, any amounts in the Escrow Fund may be commingled with the general funds of the Mortgagee, shall constitute additional security for the Debt and shall not bear interest. The collection of such deposits by the Mortgagee shall not relieve the Mortgagor or Beneficiary of any of the obligations of the Mortgagor or Beneficiary under any provision of this Mortgage; and under no circumstances shall the Mortgagee be liable for failure to make any payment on behalf of the Mortgagor or Beneficiary, including, without limitation, payments of Taxes, assessments or Premiums.

(b) To the extent permitted by applicable law, if a Default occurs under any of the provisions of this Mortgage, the Mortgagee shall have the right to apply the balance of any funds deposited with it, or its designee, accumulated to pay Taxes and Premiums, either as a credit against the Debt or to the payment of any other charges payable hereunder, without any other obligation to account therefor to the Mortgagor or Beneficiary.

6. Condemnation. Notwithstanding any taking by any public or quasi-public authority through eminent domain or otherwise, the Mortgagor and/or Beneficiary shall continue to pay the Debt at the time and in the manner provided for its payment in the Note and this Mortgage and the Debt shall not be reduced until any award or payment therefor shall have been actually received and applied by the Mortgagee to the discharge

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of the Debt. The Mortgagee may apply the entire amount of any such award or payment to the discharge of the Debt whether or not then due and payable in such order, priority and proportions as the Mortgagee in its discretion shall deem proper. The Mortgagee shall not be obligated to see to the proper application of any award or payment paid over to the Mortgagor and/or Beneficiary, and if the Mortgagee receives and retains such award or payment and applies it to the Debt, the lien of this Mortgage shall be affected only by a reduction of the amount of said lien by the amount of such award or payment so received and retained by the Mortgagee. If the Mortgaged Property is sold, through foreclosure or otherwise, prior to the receipt by the Mortgagee of such award or payment, the Mortgagee shall have the right, whether or not a deficiency judgment on the Note shall have been sought, recovered or denied, to receive such award or payment, or a portion thereof sufficient to pay the Debt, whichever is less, and the Mortgagor and/or Beneficiary shall pay over to the Mortgagee said award or payment as, if and when the Mortgagor and/or Beneficiary receives same, to the extent of any deficiency found to be due upon such sale, with interest thereon, whether or not a deficiency judgment on this Mortgage shall have been sought or recovered or denied, and of the attorneys' fees, costs and disbursements incurred by the Mortgagee in connection with the collection of such award or payment. It is the express intent and agreement of the parties that in the event of any such taking, the Mortgagee shall receive interest at the rate set forth in the Note (the "Note Rate") up to and including the date of actual payment in full of the Debt, provided that if the rate set forth in the Note is higher than the statutory rate, and the Mortgagor and/or Beneficiary (or any assignee or successor in interest thereof) shall be responsible to pay to the Mortgagee an amount equal to the entire difference between the amount of interest received by the Mortgagee from the condemning authority (or to which the Mortgagee is entitled under the condemnation interest statute) and the Note Rate from the date of vesting of title in such condemnation to the date of actual payment, except where the statutory rate on the condemnation award is higher than the Note Rate, in which event the Mortgagee shall be entitled to the statutory rate. The Mortgagor and/or Beneficiary shall file and prosecute its claim or claims for any such award or payment in good faith and with due diligence and cause the same to be collected and paid over to the Mortgagee. The Mortgagor and Beneficiary hereby irrevocably authorize and empower the Mortgagee, in the name of the Mortgagor and/or Beneficiary or otherwise, to collect and receipt for any such award or payment and to file and prosecute such claim or claims. Although it is hereby expressly agreed that the same shall not be necessary in any event, the Mortgagor and/or Beneficiary shall, upon demand of the Mortgagee, make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning any such award or payment to the Mortgagee, free and clear of any encumbrances of any kind or nature whatsoever.

7. Leases and Rents. The Mortgagor and Beneficiary absolutely and irrevocably assign to the Mortgagee the Rents, and the Mortgagor and Beneficiary grant to the Mortgagee the right to enter upon and to take possession of the Mortgaged

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Property for the purpose of collecting the same and to let the Mortgaged Property, or any part thereof, and to apply the Rents after payment of all necessary charges and expenses on account to the Debt, reserving only to the Mortgagor the conditional right, as a licensee, to collect, use and enjoy the Rents until an Event of Default shall occur hereunder. In exercising such conditional right, the Mortgagor shall be entitled to collect and receive such Rent and agrees to use such Rents in payment of principal and interest becoming due under the Note and in payment of Taxes and Premiums becoming due hereunder, but such right of the Mortgagor may be revoked by the Mortgagee upon the occurrence of Event of Default by the Mortgagor under the terms of the Note or this Mortgage and thereafter the Mortgagee may let the Mortgaged Property or any part thereof and may retain and apply the Rents toward payment of the Debt in such order, priority and proportions as the Mortgagee, in its discretion, shall deem proper, or toward the operation, maintenance and repair of the Mortgaged Property, and irrespective of whether the Mortgagee shall have commenced a foreclosure of this Mortgage or shall have applied or arranged for the appointment of a receiver. The Mortgagee shall give to the Mortgagor notice of such revocation of the right to let and collect the Rents within a reasonable time thereafter. Neither the Mortgagor nor Beneficiary shall, without the consent of the Mortgagee, make, or suffer to be made, any Leases or modify or cancel any Leases or cancel any leases or accept prepayments of installments of the Rents for a period of more than one (1) month in advance or further assign the whole or any part of the Rents. The Mortgagor and/or Beneficiary shall (i) fulfill or perform each and every provision of the Leases on the part of the Mortgagor and/or Beneficiary to be fulfilled or performed, (ii) promptly send copies of all notices of default which the Mortgagor and/or Beneficiary shall send or receive under the Leases to the Mortgagee, and (iii) enforce, short of termination of the Leases, the performance or observance of the provisions thereof by the tenants thereunder. The Mortgagor and/or Beneficiary shall from time to time, but not less frequently than once every one hundred eighty (180) days, provide to the Mortgagee a complete and detailed leasing status and rent roll report with respect to the Improvements, which report shall also include, by way of illustration only, a list of current tenants, space occupied, base rent, additional rent, lease concessions, commencement and expiration dates and leasing commission obligations and shall be in form and substance satisfactory in all respects to the Mortgagee. In addition to the rights which the Mortgagee may have herein, in the event of any default under this Mortgage, the Mortgagee, at its option, may require the Mortgagor and/or Beneficiary to pay monthly in advance to the Mortgagee, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Mortgaged Property as may be in possession of the Mortgagor and/or Beneficiary. Upon default in any such payment, the Mortgagor and Beneficiary will vacate and surrender possession of the Mortgaged Property to the Mortgagee, or to such receiver, and, in default thereof, the Mortgagor and Beneficiary may be evicted by summary proceedings or otherwise. Nothing contained in this paragraph shall be construed as imposing on the Mortgagee any of the obligations of the lessor under the Leases, any duty to produce rents from the Mortgaged Property and shall not cause the Mortgagee to be a

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"mortgagee-in-possession" for any purpose. The Mortgagor and Beneficiary further agree that it shall, upon request, execute, acknowledge and deliver to the Mortgagee such further and additional assignments and other instruments as shall be reasonably required for the purpose of assigning the Rents. In the event the Mortgagor and/or Beneficiary shall lease to a tenant all or any portion of the Mortgaged Property (all of which Leases shall be in accordance with the provisions contained in that certain Assignment of Leases and Rents of even date herewith between the Mortgagor and the Mortgagee (the "Assignment of Rents")), it shall include in such lease or leases a provision subordinating such lease or leases to the lien of this Mortgage or any renewals, amendments, changes, modifications, consolidations, extensions or replacements thereof, or any new or additional mortgage.

8. Books and Records.

(a) The Mortgagor and/or Beneficiary will keep and maintain or will cause to be kept and maintained on a fiscal year basis in accordance with generally accepted accounting practices consistently applied, proper and accurate books, records and accounts reflecting all of the financial affairs of the Mortgagor and Beneficiary and all items of income and expense in connection with the operation of the Mortgaged Property or in connection with any services, equipment or furnishings provided in connection with the operation of the Mortgaged Property, whether such income or expense be realized by the Mortgagor and/or Beneficiary or by any other person whatsoever excepting lessees unrelated to and unaffiliated with the Mortgagor and/or Beneficiary who have leased from the Mortgagor and/or Beneficiary portions of the Mortgaged Property for the purpose of occupying the same. The Mortgagee shall have the right from time to time at all times during normal business hours to examine such books, records and accounts at the office of the Mortgagor and Beneficiary or such other person maintaining such books, records and accounts and to make copies or extracts thereof as the Mortgagee shall desire.

(b) The Mortgagor and/or Beneficiary will furnish the Mortgagee annually, within ninety (90) days next following the end of each fiscal year of Beneficiary, with: (i) a complete executed copy of an audited annual financial statement prepared in accordance with generally accepted accounting practices on a cash basis by a certified public accountant selected by the Mortgagor and/or Beneficiary and acceptable to the Mortgagee, covering the operation of the Mortgaged Property for such fiscal year and containing a balance sheet, income statements, cash flow statements and shall otherwise be in form and substance satisfactory to the Mortgagee, and (ii) a complete executed copy of an audited annual financial statement of the Beneficiary for such fiscal year, prepared in accordance with generally accepted accounting practices by a certified public accountant selected by the Beneficiary and acceptable to the Mortgagee, and containing a fully itemized statement of profit and loss and of surplus and a balance sheet, and shall otherwise be in form and substance satisfactory to the Mortgagee.

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Together with each such financial statement, the Mortgagor shall furnish to the Mortgagee a certificate signed by Beneficiary certifying on the date thereof that: (i) such financial statement is true, complete and accurate and (ii) either that there does or does not exist an event which constitutes, or which upon notice or lapse of time or both would constitute, a default or an Event of Default under this Mortgage and, if such default or Event of Default exists, the nature thereof and the period of time it has existed (a "Certification"). The Mortgagor and/or Beneficiary shall furnish to the Mortgagee, within ten (10) days after request, such further detailed financial and other information (including, but not limited to, financial statements) as may be requested by the Mortgagee with respect to the Mortgaged Property, the Mortgagor, Beneficiary and any Guarantor or any affiliate of, or entity controlled by, the Mortgagor, Beneficiary or any Guarantor as of a date not earlier than that specified by the Mortgagee in such request, together with a Certification with respect thereto.

9. Transfer or Encumbrance of the Mortgaged Property. No part of the Mortgaged Property nor any interest of any nature whatsoever therein nor any interest of any nature whatsoever in the Mortgagor (whether partnership, stock, equity, beneficial, profit, loss or otherwise) shall in any manner be further encumbered, sold, transferred, assigned or conveyed, or permitted to be further encumbered, sold, transferred, assigned or conveyed without the prior written consent of the Mortgagee, which consent in any and all circumstances may be withheld in the sole and absolute discretion of the Mortgagee. The provisions of the foregoing sentence of this paragraph shall apply to each and every such further encumbrance, sale, transfer, assignment or conveyance, regardless of whether or not the Mortgagee has consented to, or waived by its action or inaction its rights hereunder with respect to, any such previous further encumbrance, sale, transfer, assignment or conveyance, and irrespective of whether such further encumbrance, sale, transfer, assignment or conveyance is voluntary, by reason of operation of law or is otherwise made.

10. Maintenance of the Mortgaged Property; Compliance with Laws, Regulations, Covenants and Easements.

(a) The Mortgagor and/or Beneficiary shall cause the Mortgaged Property to be maintained in good condition and repair and, to the extent of any renovations that are made by the Mortgagor and/or Beneficiary, the same shall be made in compliance with the requirements of all governmental authorities having jurisdiction over the Mortgaged Property. Neither the Mortgagor nor Beneficiary will commit or suffer to be committed any waste of the Mortgaged Property. The Improvements and the Equipment shall not be removed, demolished or materially altered (except for normal replacement of the Equipment), without the consent of the Mortgagee, including, but not limited to, any alteration changing the configuration or number of parking spaces comprising a part of the Mortgaged Property. The Mortgagor and/or Beneficiary shall promptly repair, replace or rebuild any part of the Mortgaged Property which may be

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damaged or destroyed by fire or other property hazard or casualty (including any fire or other property hazard or casualty for which insurance was not obtained or obtainable) or which may be affected by any taking by any public or quasi-public authority through eminent domain or otherwise, and shall complete and pay for, within a reasonable time, any structure at any time in the process of construction or repair on the Premises.

(b) The Mortgagor represents and covenants with the Mortgagee and Beneficiary represents and warrants to and Covenants with the Mortgagee that the Mortgaged Property is currently in compliance with, and the Mortgagor and/or Beneficiary shall in the future promptly cause the Mortgaged Property to comply with, all existing and future governmental laws, orders, ordinances, rules and regulations affecting the Mortgaged Property, or any portion thereof or the use thereof, including specifically, but not limited to, provisions of the Americans with Disabilities Act. The Mortgagor and/or Beneficiary shall comply with the requirements of all, and shall not modify, amend or terminate any, easements and restrictive covenants which from time to time affect the whole or any portion of the Mortgaged Property or the use thereof. The Mortgagor and/or Beneficiary shall also comply with the requirements of, and to the extent reasonably within the Mortgagor's and/or Beneficiary's control, maintain, preserve, enforce and renew, all rights of way, easements, grants, privileges, licenses, franchises and restrictive covenants which from time to time benefit or pertain to the whole or any portion of the Mortgaged Property, and neither the Mortgagor nor Beneficiary shall modify, amend or terminate, or surrender any of its rights under, any of such rights of way, easements, grants, privileges, licenses, franchises or restrictive covenants. Neither the Mortgagor nor Beneficiary will, without obtaining the prior written consent of the Mortgagee, initiate, join in or consent to any new private restrictive covenant, zoning ordinance, or other public or private restrictions, limiting or affecting the uses which may be made of the Mortgaged Property or any part thereof.

11. Environmental Provisions.

(a) For the purposes of this paragraph the following terms shall have the following meanings: (i) the term "Hazardous Material" shall mean any material or substance that, whether by its nature or use, is now or hereafter defined as a hazardous waste, hazardous substance, pollutant or contaminant under any Environmental Requirement, or which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and which is now or hereafter regulated under any Environmental Requirement, or which is or contains petroleum, gasoline, diesel fuel or another petroleum hydrocarbon product, (ii) the term "Environmental Requirements" shall collectively mean all present and future laws, statutes, ordinances, rules, regulations, orders, codes, licenses, permits, decrees, judgments, directives or the equivalent of or by any Governmental Authority and relating to or addressing the protection of the environment or human health, and (iii) the term "Governmental Authority" shall mean the Federal government, or any state or other political subdivision

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thereof, or any agency, court or body of the Federal government, any state or other political subdivision thereof, exercising executive, legislative, judicial, regulatory or administrative functions.

(b) The Mortgagor hereby represents to and covenants with the Mortgagee and Beneficiary represents and warrants to and covenants with the Mortgagee that to the best of the knowledge of Mortgagor and Beneficiary, as the case may be, after diligent inquiry (i) no Hazardous Material is currently located at, on, in, under or about the Mortgaged Property in a manner which violates any Environmental Requirement, or which requires cleanup or corrective action of any kind under any Environmental Requirement, (ii) no releasing, emitting, discharging, leaching, dumping or disposing of any Hazardous Material from the Mortgaged Property onto or into any other property or from any other property onto or into the Mortgaged Property has occurred or is occurring in violation of any Environmental Requirement, (iii) no notice of violation, lien, complaint, suit, order or other notice with respect to the Mortgaged Property is presently outstanding under any Environmental Requirement, and (iv) the Mortgaged Property and the operation thereof are in full compliance with all Environmental Requirements.

(c) The Mortgagor and Beneficiary shall comply, and shall cause all tenants or other occupants of the Mortgaged Property to comply, in all respects with all Environmental Requirements, and will not generate, store, handle, process, dispose of or otherwise use, and will not permit any tenant or other occupant of the Mortgaged Property to generate, store, handle, process, dispose of or otherwise use, Hazardous Materials at, in, on, under or about the Mortgaged Property in a manner that could lead or potentially lead to the imposition on the Mortgagor, Beneficiary, the Mortgagee or the Mortgaged Property of any liability or lien of any nature whatsoever under any Environmental Requirement. The Mortgagor and/or Beneficiary shall notify the Mortgagee promptly in the event of any spill or other release of any Hazardous Material at, in, on, under or about the Mortgaged Property which is required to be reported to a Governmental Authority under any Environmental Requirement, will promptly forward to the Mortgagee copies of any notices received by the Mortgagor and/or Beneficiary relating to alleged violations of any Environmental Requirement and will promptly pay when due any fine or assessment against the Mortgagee, the Mortgagor, Beneficiary, or the Mortgaged Property relating to any Environmental Requirement. If at any time it is determined that the operation or use of the Mortgaged Property violates any applicable Environmental Requirement or that there are Hazardous Materials located at, in, on, under or about the Mortgaged Property which, under any Environmental Requirement, require special handling in collection, storage, treatment or disposal, or any other form of cleanup or corrective action, the Mortgagor and/or Beneficiary shall, within thirty (30) days after receipt of notice thereof from any Governmental Authority or from the Mortgagee, take, at the Mortgagor's and/or Beneficiary's sole cost and expense, such actions as may be necessary to fully comply in all respects with all Environmental

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Requirements, provided, however, that if such compliance cannot reasonably be completed within such thirty (30) day period, the Mortgagor and/or Beneficiary shall commence such necessary action within such thirty (30) day period and shall thereafter diligently and expeditiously proceed to fully comply in all respects and in a timely fashion with all Environmental Requirements.

(d) If the Mortgagor and/or Beneficiary fail to timely take, or to diligently and expeditiously proceed to complete in a timely fashion, any such action described in clause (c) above, the Mortgagee may, in its sole and absolute discretion, make advances or payments toward the performance or satisfaction of the same, but shall in no event be under any obligation to do so. All sums so advanced or paid by the Mortgagee (including, without limitation, counsel and consultant fees and expenses, investigation and laboratory fees and expenses, and fines or other penalty payments) and all sums advanced or paid in connection with any judicial or administrative investigation or proceeding relating thereto, will immediately, upon demand, become due and payable from the Mortgagor and Beneficiary and shall bear interest at the Default Rate (as hereinafter defined) from the date any such sums are so advanced or paid by the Mortgagee until the date any such sums are repaid by the Mortgagor and/or Beneficiary to the Mortgagee. The Mortgagor and/or Beneficiary will execute and deliver, promptly upon request, such instruments as the Mortgagee may deem useful or necessary to permit the Mortgagee to take any such action, and such additional notes and mortgages, as the Mortgagee may require to secure all sums so advanced or paid by the Mortgagee. If a lien is filed against the Mortgaged Property by any Governmental Authority resulting from the need to expend or the actual expending of monies arising from an action or omission, whether intentional or unintentional, of the Mortgagor and/or Beneficiary or for which the Mortgagor and/or Beneficiary is responsible, resulting in the releasing, spilling, leaking, leaching, pumping, emitting, pouring, emptying or dumping of any Hazardous Material into the waters or onto land located within or without the State where the Mortgaged Property is located, then the Mortgagor and/or Beneficiary will, within thirty (30) days from the date that the Mortgagor and/or Beneficiary is first given notice that such lien has been placed against the Mortgaged Property (or within such shorter period of time as may be specified by the Mortgagee if such Governmental Authority has commenced steps to cause the Mortgaged Property to be sold pursuant to such lien), either (a) pay the claim and remove the lien, or (b) furnish a cash deposit, bond, or such other security with respect thereto as is satisfactory in all respects to the Mortgagee and is sufficient to effect a complete discharge of such lien on the Mortgaged Property.

(e) The Mortgagee may, at its option, at intervals of not less than one year, or more frequently if the Mortgagee reasonably believes that a Hazardous Material or other environmental condition violates or threatens to violate any Environmental Requirement, cause an environmental audit of the Mortgaged Property or portions thereof to be conducted to confirm the Mortgagor's and/or Beneficiary's compliance with the provisions of this paragraph, and the Mortgagor and Beneficiary shall cooperate in

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all reasonable ways with the Mortgagee in connection with any such audit. If such audit discloses that a violation of an Environmental Requirement exists, the Mortgagor and/or Beneficiary shall pay all costs and expenses incurred in connection with such audit; otherwise, the costs and expenses of such audit shall, notwithstanding anything to the contrary set forth in this paragraph, be paid by the Mortgagee.

(f) If this Mortgage is foreclosed, or if the Mortgaged Property is sold pursuant to the provisions of this Mortgage, or if the Mortgagor tenders a deed or assignment in lieu of foreclosure or sale, the Mortgagor and Beneficiary shall deliver the Mortgaged Property to the purchaser at foreclosure or sale or to the Mortgagee, its nominee, or wholly-owned subsidiary, as the case may be, in a condition that complies in all respects with all Environmental Requirements. The Mortgagor and Beneficiary will defend, indemnify, and hold harmless the Mortgagee, its employees, agents, officers, and directors, from and against any and all claims, demands, penalties, causes of action, fines, liabilities, settlements, damages, costs, or expenses of whatever kind or nature, known or unknown, foreseen or unforeseen, contingent or otherwise (including, without limitation, counsel and consultant fees and expenses, investigation and laboratory fees and expenses, court costs, and litigation expenses) arising out of, or in any way related to, (i) any breach by the Mortgagor and/or Beneficiary of any of the provisions of this paragraph 11, (ii) the presence, disposal, spillage, discharge, emission, leakage, release, or threatened release of any Hazardous Material which is at, in, on, under, about, from or affecting the Mortgaged Property, including, without limitation, any damage or injury resulting from any such Hazardous Material or affecting the Mortgaged Property or the soil, water, air, vegetation, buildings, personal property, persons or animals located on the Mortgaged Property or on any other property or otherwise, (iii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to any such Hazardous Material, (iv) any lawsuit brought or threatened, settlement reached, or order or directive of or by any Governmental Authority relating to such Hazardous Material, or (v) any violation of any Environmental Requirement or any policy or requirement of the Mortgagee hereunder. The aforesaid indemnification shall, notwithstanding any exculpatory or other provision of any nature whatsoever to the contrary set forth in the Note, this Mortgage or any other document or instrument now or hereafter executed and delivered in connection with the loan evidenced by the Note and secured by this Mortgage, constitute the personal recourse undertakings, obligations and liabilities of Beneficiary.

(g) The aforesaid indemnification shall not be applicable to any claim, demand, penalty, cause of action, fine, liability, settlement, damage, cost or other expense of any type whatsoever occasioned, arising and caused solely and directly as the result of the gross negligence or willful misconduct of the Mortgagee, its nominee or wholly-owned subsidiary or their respective employees or agents subsequent to the date upon which the Mortgagee, its nominee or wholly-owned subsidiary acquires possession of the Mortgaged Property by foreclosure of this Mortgage, a sale of the Mortgaged

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Property pursuant to the provisions of this Mortgage, acceptance of a deed or assignment in lieu of foreclosure or sale or otherwise.

(h) All obligations and liabilities of the Mortgagor and/or Beneficiary under this paragraph 11 shall cease and terminate on the seventh (7th) anniversary of the date of payment to the Mortgagee in cash of the entire Debt, provided that contemporaneously with or subsequent to the payment to the Mortgagee in cash of the entire Debt the Mortgagor and/or Beneficiary, at its sole cost and expense, delivers to the Mortgagee an environmental audit of the Mortgaged Property in form and substance, and prepared by a qualified environmental consultant, satisfactory in all respects to the Mortgagee and indicating that the Mortgaged Property is in full compliance with all applicable Environmental Requirements, and provided further, however, that the Mortgagor and Beneficiary shall continue to be obligated to indemnify the Mortgagee and to hold the Mortgagee harmless from and against any penalty, fine, liability, damage, cost or other expense incurred by the Mortgagee and to which the aforesaid indemnification pertains to the extent the same arises out of any claim, penalty, fine liability or damage which is asserted or cause of action suit which is commenced prior to, or which otherwise relates back to the period before, the seventh (7th) anniversary of the date of payment to the Mortgagee in cash of the entire Debt. Except as hereinabove specifically provided to the contrary in this paragraph 11, the obligations and liabilities of the Mortgagor and/or Beneficiary under this paragraph 11 shall survive and continue in full force and effect and shall not be terminated, discharged or released, in whole or in part, irrespective of whether the Debt has been paid in full and irrespective of any foreclosure of this Mortgage, sale of the Mortgaged Property pursuant to the provisions of this Mortgage or acceptance by the Mortgagee, its nominee or wholly-owned subsidiary of a deed or assignment in lieu of foreclosure or sale and irrespective of any other fact or circumstance of any nature whatsoever.

12. Performance of Other Agreements. The Mortgagor and Beneficiary shall observe and perform each and every term to be observed or performed by the Mortgagor and/or Beneficiary pursuant to the terms of any agreement or recorded instrument affecting or pertaining to the Mortgaged Property.

13. Other Security for the Debt. The Mortgagor and Beneficiary shall observe and perform all of the terms, covenants and provisions contained in the Note and in all other mortgages and other instruments or documents evidencing, securing or guaranteeing payment of the Debt, in whole or in part, or otherwise executed and delivered in connection with the Note, this Mortgage or the loan evidenced and secured thereby or hereby.

14. Right of Entry. The Mortgagee and its agents shall have the right to enter and inspect the Mortgaged Property at all reasonable times.

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EXHIBIT C

1. The Note: Mortgage Note of even date herewith, in the principal sum of \$1,900,000.00 given by Borrower to Lender.
2. The Mortgage: Mortgage and Security Agreement of even date herewith, in the principal sum of \$1,900,000.00 given by Borrower to Lender covering the fee simple estate of Borrower in the Premises.
3. The Guaranty: Guaranty of Payment of even date herewith, executed by John Apostolou, individually and as Trustee of the JOHN APOSTOLOU TRUST, dated June 20, 1986 in favor of Lender.

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15. Trust Fund. The Mortgagor and/or Beneficiary shall receive the advances secured hereby and shall hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of any improvement and shall apply such advances first to the payment of the cost of any such improvement on the Mortgaged Property before using any part of the total of the same for any other purpose.

16. Security Agreement. This Mortgage constitutes both a real property mortgage and a "security agreement," within the meaning of the Uniform Commercial Code, and the Mortgaged Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of the Mortgagor and/or Beneficiary in the Mortgaged Property. The Mortgagor and/or Beneficiary by executing and delivering this Mortgage have granted to the Mortgagee, as security for the Debt, a security interest in the Equipment. If the Mortgagor and/or Beneficiary shall default under the Note or this Mortgage, the Mortgagee, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Equipment or any part thereof, and to take such other measures as the Mortgagee may deem necessary for the care, protection and preservation of the Equipment. Upon request or demand of the Mortgagee, the Mortgagor and/or Beneficiary shall at its expense assemble the Equipment and make it available to the Mortgagee at a convenient place acceptable to the Mortgagee. The Mortgagor and/or Beneficiary shall pay to the Mortgagee on demand any and all expenses, including legal expenses and attorneys' fees, incurred or paid by the Mortgagee in protecting its interest in the Equipment and in enforcing its rights hereunder with respect to the Equipment. Any notice of sale, disposition or other intended action by the Mortgagee with respect to the Equipment sent to the Mortgagor and/or Beneficiary in accordance with the provisions of this Mortgage at least seven (7) days prior to the date of any such sale, disposition or other action, shall constitute reasonable notice to the Mortgagor and/or Beneficiary, and the method of sale or disposition or other intended action set forth or specified in such notice shall conclusively be deemed to be commercially reasonable within the meaning of the Uniform Commercial Code unless objected to in writing by the Mortgagor and/or Beneficiary within five (5) days after receipt by the Mortgagor and/or Beneficiary of such notice. The proceeds of any sale or disposition of the Equipment, or any part thereof, may be applied by the Mortgagee to the payment of the Debt in such order, priority and proportions as the Mortgagee in its discretion shall deem proper.

ARTICLE II - DEFAULTS AND REMEDIES

1. Events of Default. The term "Event of Default", wherever used in this Mortgage, shall mean any one or more of the following events, without regard to any

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grace period or notice and cure period provided or referenced below with respect to any such events, and the term "Default", wherever used in this Mortgage, shall mean any one or more of the following events, after expiration of any grace period or notice and cure period provided or referenced below with respect to any such events. The Debt shall become immediately due and payable at the option of the Mortgagee upon the occurrence of any one or more of the following events, whether such occurrence shall be voluntary, involuntary, by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any rule or regulation of any administrative or governmental body:

(a) if any portion of the Debt is not paid within ten (10) days of the due date or if the Debt is not paid in full on maturity;

(b) if the Mortgagor and/or Beneficiary shall fail to pay within twenty (20) days of notice and demand by the Mortgagee, any installment of any assessment against the Mortgaged Property for local improvements heretofore or hereafter laid, which assessment is or may become payable in annual or periodic installments and is or may become a lien on the Mortgaged Property, notwithstanding the fact that such installment may not be due and payable at the time of such notice and demand;

(c) if any Federal tax lien is filed against the Mortgagor and/or Beneficiary, any Guarantor or the Mortgaged Property and the same is not discharged of record within thirty (30) days after the same is filed;

(d) if without the consent of the Mortgagee (which consent in any and all circumstances may be withheld in the sole and absolute discretion of the Mortgagee), any part of the Mortgaged Property or any interest of any nature whatsoever therein or any interest of any nature whatsoever in the Mortgagor, Beneficiary or Giordano's, Inc. (whether partnership, stock, equity, beneficial, profit, loss or otherwise) is in any manner, by operation of law or otherwise, whether directly or indirectly, further encumbered, sold, transferred, assigned or conveyed, and irrespective of whether any such further encumbrance, sale, transfer, assignment or conveyance is voluntary, by reason or operation of law or is otherwise made;

(e) if without the consent of the Mortgagee any Improvement or Equipment (except for the normal replacement of the Equipment) is removed, demolished or materially altered, or if the Mortgaged Property is not kept in reasonably good condition and repair;

(f) if the Mortgagor and/or Beneficiary shall fail to comply with any requirement or order or notice of violation of law or ordinance issued by any governmental department claiming jurisdiction over the Mortgaged Property within three (3) months from the issuance thereof, or the time period set forth therein, whichever is

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less;

(g) if the Policies are not assigned to the Mortgagee or kept in full force and effect, or if the Policies are not delivered to the Mortgagee upon request;

(h) if on application of the Mortgagee two (2) or more fire insurance companies lawfully doing business in the State in which the Mortgaged Property is located refuse to issue Policies;

(i) if the Mortgagor and/or Beneficiary shall fail to pay the Mortgagee on demand for all Premiums and/or Taxes paid by the Mortgagee pursuant to this Mortgage, together with any late payment charge and interest thereon calculated at the Default Rate;

(j) if without the consent of the Mortgagee any Leases are made, cancelled or modified, or if the Mortgagor and/or Beneficiary shall consent to any assignment thereof or subletting thereunder, or if any portion of the Rents is paid for a period of more than one (1) month in advance or if any of the Rents are further assigned;

(k) if any representation, warranty or covenant of the Mortgagor and/or Beneficiary or of any Guarantor made herein or in any such guaranty executed and delivered by a Guarantor (a "Guaranty"), or in any certificate, report, financial statement or other instrument furnished in connection with the making of the Note, this Mortgage, or any such Guaranty, shall prove false or misleading in any material respect or shall have omitted any substantial contingent or unliquidated liability or claim;

(l) if the Mortgagor and/or Beneficiary or any Guarantor (each of whom is hereinafter in this subparagraph referred to as an "Obligor") shall commence any case, proceeding or other action relating to it in bankruptcy or seeking reorganization, liquidation, dissolution, winding-up, arrangement, composition or readjustment of its debts, or for any other relief, under bankruptcy, insolvency, reorganization, liquidation, dissolution, winding-up, arrangement, composition, readjustment of debt or other similar act or law of any jurisdiction, domestic or foreign, now or hereafter existing; or if an Obligor shall apply for a receiver, custodian or trustee of it or for all or a substantial part of its property; or if an Obligor shall make an assignment for the benefit of creditors; or if an Obligor shall be unable to, or shall admit in writing the inability to pay its debts generally as they become due; or if an Obligor shall take any action indicating its consent to, approval of, acquiescence in, or in furtherance of, any of the foregoing; or if any case, proceeding or other action against an Obligor shall be commenced in bankruptcy or seeking reorganization, liquidation, dissolution, winding-up, arrangement, composition or readjustment of its debts, or any other relief, under any bankruptcy, insolvency, reorganization, liquidation, dissolution, arrangement, composition,

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readjustment of debt or other similar act or law of any jurisdiction, domestic or foreign, now or hereafter existing, and such condition shall continue for a period of sixty (60) days undismissed, undischarged or unbonded; or if a receiver, custodian or trustee of an Obligor or for all or a substantial part of its property shall be appointed and such condition shall continue for a period of sixty (60) days undismissed, undischarged or unbonded; or if a warrant of attachment, execution or distraint, or similar process, shall be issued against any substantial part of the property of an Obligor and such condition shall continue for a period of sixty (60) days undismissed, undischarged or unbonded;

(m) if the Mortgagor and/or Beneficiary or any other person shall be in default under the Note, or under any other mortgage, instrument or document evidencing, securing or guaranteeing payment of the Debt, in whole or in part, or otherwise executed and delivered in connection with the Note, this Mortgage or the loan evidenced and secured thereby or hereby;

(n) if the Mortgagor and/or Beneficiary or any other person shall be in default under any mortgage or deed of trust covering any part of the Mortgaged Property whether superior or inferior in lien to this Mortgage, and including, without limitation, any such mortgage or deed of trust now or hereafter held by the Mortgagee;

(o) if the Mortgaged Property shall become subject (i) to any tax lien, other than a lien for local real estate taxes and assessments not due and payable, or (ii) to any lis pendens, notice of pendency, stop order, notice of intention to file mechanic's or materialman's lien, mechanic's or materialman's lien or other lien of any nature whatsoever and the same shall not either be discharged of record or in the alternative insured over to the satisfaction of the Mortgagee by the title company insuring the lien of this Mortgage within a period of thirty (30) days after the same is filed or recorded, and irrespective of whether the same is superior or subordinate in lien or other priority to the lien of this Mortgage and irrespective of whether the same constitutes a perfected or inchoate lien or encumbrance on the Mortgaged Property or is only a matter of record or notice;

(p) if the Mortgagor and/or Beneficiary shall continue to be in default under any of the other terms, covenants or conditions of this Mortgage for ten (10) days after notice from the Mortgagee in the case of any default which can be cured by the payment of a sum of money or for twenty (20) days after notice from the Mortgagee in the case of any other default, provided that if such default cannot reasonably be cured within such twenty (20) day period and the Mortgagor and/or Beneficiary shall have commenced to cure such default within such twenty (20) day period and thereafter diligently and expeditiously proceeds to cure the same, such twenty (20) day period shall be extended for so long as it shall require the Mortgagor and/or Beneficiary in the exercise of due diligence to cure such default, it being agreed that no such extension shall be for a period in excess of ninety (90) days; or

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(q) if the Mortgagor and/or Beneficiary shall fail to maintain its business in good standing under the applicable regulations of the agencies or governmental authorities having jurisdiction thereof, or its failure to receive and maintain whatever licenses are required, or shall be required, for the ownership, maintenance and operation of the Mortgaged Property.

2. Rights and Remedies of the Mortgagee. At any time after the occurrence of an Event of Default hereunder, the Mortgagee shall have all of the right and remedies available under applicable law, including, by way of illustration and not of limitation, the right:

- (i) to declare the Debt immediately due and payable;
- (ii) to commence and maintain an action or actions in any court of competent jurisdiction to foreclose this Mortgage and the security interest granted herein, or to obtain specific enforcement of the covenants of the Mortgagor and/or Beneficiary hereunder, and the Mortgagor and/or Beneficiary agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy, and that for the purposes of any action brought hereunder, the Mortgagor and/or Beneficiary waives the defenses of laches and any statute of limitations;
- (iii) to enter upon, possess, manage and operate the Mortgaged Property or any part thereof, to make, terminate, enforce or modify the Leases upon such terms and conditions as the Mortgagee deems proper, and to make repairs, alternations and improvements to the Mortgaged Property necessary in the Mortgagee's judgment to protect or enhance the security hereof;
- (iv) to enforce and realize upon, or waive, the security hereunder and any other security now or hereafter held by the Mortgagee in such order and manner as the Mortgagee may in its sole discretion determine, whether concurrently or successively and in one or several consolidated independent judicial actions or lawfully taken non-judicial proceedings, or both; and
- (v) foreclose this Mortgage, and in any such action qualify for the appointment of a receiver of the Mortgaged Property either before or after a foreclosure sale, without notice and without regard to the solvency or insolvency of the Mortgagor and/or Beneficiary at the time of the application for such receiver, and without regard to the then value of the Mortgaged Property, and the Mortgagee or any holder of the Note may be appointed as such receiver or as mortgagee in possession. The receiver or the mortgagee in possession shall have the power to collect the Rents during the pendency of such foreclosure action, and in case of a sale and a deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during all other times, when the Mortgagor and/or Beneficiary, except for the intervention

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of the receiver or mortgagee in possession, would be entitled to collect such Rents, together with 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.

3. Appointment of Receiver. The holder of this Mortgage, in any action to foreclose it, shall be entitled to the appointment of a receiver. In addition, upon the actual or threatened waste to any part of the Mortgaged Property or upon the occurrence of any Default hereunder, the holder of this Mortgage shall be at liberty, without notice, to apply for the appointment of a receiver of the Rents, and shall be entitled to the appointment of such receiver as a matter of right, without regard to the value of the Mortgaged Property as security for the Debt, or the solvency or insolvency of any person then liable for the payment of the Debt.

4. Sale of Mortgaged Property. If this Mortgage is foreclosed, the Mortgaged Property, or any interest therein, may, at the discretion of the Mortgagee, be sold in one or more parcels or in several interests or portions and in any order or manner.

5. Recovery of Sums Required To Be Paid. The Mortgagee shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Debt as the same become due, without regard to whether or not the balance of the Debt shall be due, and without prejudice to the right of the Mortgagee thereafter to bring an action of foreclosure, or any other action, for a default or defaults by the Mortgagor and/or Beneficiary existing at the time such earlier action was commenced.

6. Actions and Proceedings. The Mortgagee shall have the right to appear in and defend any action or proceeding brought with respect to the Mortgaged Property and to bring any action or proceeding, in the name and on behalf of the Mortgagor and/or Beneficiary, which the Mortgagee, in its discretion, feels should be brought to protect the Mortgagee's interest in the Mortgaged Property.

7. Right to Cure Defaults. Upon the occurrence of any Default hereunder, the Mortgagee may, at its discretion, remedy the same and for such purpose shall have the right to enter upon the Mortgaged Property or any portion thereof without thereby becoming liable to the Mortgagor and/or Beneficiary or any person in possession thereof holding under or claiming under or through the Mortgagor and/or Beneficiary, it being understood and agreed that nothing contained in this Mortgage shall in any manner obligate the Mortgagee to remedy any default hereunder. If the Mortgagee shall remedy such a Default or appear in, defend, or bring any action or proceeding to protect the Mortgagee's interest in the Mortgaged Property or to foreclose this Mortgage or collect the Debt, the costs and expenses thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this paragraph, shall be paid by the Mortgagor and/or Beneficiary to the Mortgagee upon demand. All such costs and

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expenses incurred by the Mortgagee in remedying such default or in appearing in, defending, or bringing any such action or proceeding shall be paid by the Mortgagor and/or Beneficiary to the Mortgagee upon demand, with interest (calculated for the actual number of days elapsed on the basis of a 360-day year) at a rate per annum equal to 18% (the "Default Rate"), provided, however, that the Default Rate shall in no event exceed the maximum interest rate which the Mortgagor and/or Beneficiary may by law pay, for the period after notice from the Mortgagee that such costs or expenses were incurred to the date of payment to the Mortgagee. To the extent any of the aforementioned costs or expenses paid by the Mortgagee after default by the Mortgagor and/or Beneficiary shall constitute payment of (i) taxes, charges or assessments which may be imposed by law upon the Mortgaged Property, (ii) premiums on insurance policies covering the Mortgaged Property, (iii) expenses incurred in upholding the lien of this Mortgage, including, but not limited to, the costs and expenses of any litigation to collect the indebtedness secured by this Mortgage or to prosecute, defend, protect or preserve the rights and the lien created by this Mortgage, or (iv) any amount, cost or charge to which the Mortgagee becomes subrogated, upon payment, whether under recognized principles of law or equity, or under express statutory authority; then, and in each such event, such costs, expenses and amounts, together with interest thereon at the Default Rate, shall be added to the indebtedness secured by this Mortgage and shall be secured by this Mortgage.

8. Late Payment Charge. If any payment under the Note or this Mortgage is not paid within ten (10) days after the date on which it is due, the Mortgagor and/or Beneficiary shall pay to the Mortgagee upon demand, in addition to any interest, if any, payable pursuant to Paragraph 7 of Article II above, an amount equal to 4% of such unpaid installment as a late payment charge.

9. Sole Discretion of Mortgagee. Except as may otherwise be expressly provided to the contrary, wherever pursuant to the Note, this Mortgage or any other document or instrument now or hereafter executed and delivered in connection therewith or otherwise with respect to the loan secured hereby, the Mortgagee exercises any right given to it to consent or not consent, or to approve or disapprove, or any arrangement or term is to be satisfactory to the Mortgagee, the decision of the Mortgagee to consent or not consent, or to approve or disapprove, or to decide that arrangements or terms are satisfactory or not satisfactory, shall be in the sole and absolute discretion of the Mortgagee and shall be final and conclusive.

10. Non-Waiver. The failure of the Mortgagee to insist upon strict performance of any term of this Mortgage shall not be deemed to be a waiver of any term of this Mortgage. No delay or omission by the Mortgagee to exercise any right, power or remedy accruing under this Mortgage shall be construed to be a waiver of any default or acquiescence therein. A waiver in one or more instances to exercise any right, power or remedy accruing hereunder shall apply only to the particular instance or instances,

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and at the particular time or times only, and no such waiver shall be deemed a continuing waiver, but every term, covenant, provision or condition establishing such right, power or remedy shall survive and continue to remain in full force and effect. The Mortgagor and/or Beneficiary shall not be relieved of the obligation to pay the Debt at the time and in the manner provided for its payment in the Note and this Mortgage by reason of: (i) failure of the Mortgagee to comply with any request of the Mortgagor and/or Beneficiary to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Note or any other mortgage, instrument or document evidencing, securing or guaranteeing payment of the Debt or any portion thereof, (ii) the release, regardless of consideration, of the whole or any part of the Mortgaged Property or any other security for the Debt, or (iii) any agreement or stipulation between the Mortgagee and any subsequent owner or owners of the Mortgaged Property or other person extending the time of payment or otherwise modifying or supplementing the terms of the Note, this Mortgage or any other mortgage, instrument or document evidencing, securing or guaranteeing payment of the Debt or any portion thereof, without first having obtained the consent of the Mortgagor and/or Beneficiary, and in the latter event, the Mortgagor and/or Beneficiary shall continue to be obligated to pay the Debt at the time and in the manner provided in the Note and this Mortgage, as so extended, modified and supplemented, unless expressly released and discharged from such obligation by the Mortgagee in writing. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien, encumbrance, right, title or interest in or to the Mortgaged Property, the Mortgagee may release any person at any time liable for the payment of the Debt or any portion thereof or any part of the security held for the Debt and may extend the time of payment or otherwise modify the terms of the Note or this Mortgage, including, without limitation, a modification of the interest rate payable on the principal balance of the Note, without in any manner impairing or affecting this Mortgage or the lien hereof or the priority of this Mortgage, as so extended and modified, as security for the Debt over any such subordinate lien, encumbrance, right, title or interest. The Mortgagee may resort for the payment of the Debt to any other security held by the Mortgagee in such order and manner as the Mortgagee, in its discretion, may elect. The Mortgagee may take action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of the Mortgagee thereafter to foreclose this Mortgage. The Mortgagee shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every additional right and remedy now or hereafter afforded by law or equity. The rights of the Mortgagee under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of the Mortgagee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision.

11. Absolute and Unconditional Obligation. The Mortgagor and/or Beneficiary acknowledges that the obligation to pay the Debt in accordance with the provisions of the Note and this Mortgage is and shall at all times continue to be absolute and

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unconditional in all respects, and shall at all times be valid and enforceable irrespective of any other agreements or circumstances of any nature whatsoever which might otherwise constitute a defense to the Note or this Mortgage or the obligation of the Mortgagor and/or Beneficiary thereunder to pay the Debt or the obligations of any other person relating to the Note or this Mortgage or the obligations of the Mortgagor and/or Beneficiary under the Note or this Mortgage or otherwise with respect to the loan secured hereby, and the Mortgagor and/or Beneficiary absolutely, unconditionally and irrevocably waives any and all right to assert any setoff, counterclaim or crossclaim of any nature whatsoever with respect to the obligation of the Mortgagor and/or Beneficiary to pay the Debt in accordance with the provisions of the Note and this Mortgage or the obligations of any other person relating to the Note or this Mortgage or obligations of the Mortgagor and/or Beneficiary under the Note or this Mortgage or otherwise with respect to the loan secured hereby in any action or proceeding brought by the Mortgagee to collect the Debt, or any portion thereof, or to enforce, foreclose and realize upon the lien and security interest created by this Mortgage or any other document or instrument securing repayment of the Debt, in whole or in part.

12. Offsets, Counterclaims and Defenses. Any assignee of this Mortgage and the Note shall take the same free and clear of all offsets, counterclaims or defenses of any nature whatsoever which the Mortgagor and/or Beneficiary may have against any assignor of this Mortgage and the Note, and no such offset, counterclaim or defense shall be interposed or asserted by the Mortgagor and/or Beneficiary in any action or proceeding brought by any such assignee upon this Mortgage or the Note and any such right to interpose or assert any such offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by the Mortgagor and/or Beneficiary.

13. Waiver of Statutory Rights. The Mortgagor and/or Beneficiary shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws to the full extent that the Mortgagor and/or Beneficiary may do so under applicable law. The Mortgagor and/or Beneficiary for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Mortgaged Property marshaled upon any foreclosure of the lien of this Mortgage and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. The Mortgagor and Beneficiary hereby waive for itself and all who may claim through or under it, and to the full extent the Mortgagor and Beneficiary may do so under applicable law, any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage or granted under any statute now existing or hereafter enacted.

14. Waiver of Trial by Jury. The Mortgagor and/or Beneficiary hereby irrevocably and unconditionally waive, and the Mortgagee by its acceptance of the Note

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and this Mortgage irrevocably and unconditionally waives, any and all rights to trial by jury in any action, suit or counterclaim arising in connection with, out of or otherwise relating to the Note, this Mortgage or any other document or instrument heretofore, now or hereafter executed and delivered in connection therewith, the loan secured by this Mortgage or in any way related to this transaction or otherwise with respect to the Mortgaged Property.

ARTICLE III - MISCELLANEOUS

1. Notice. Any notice, request, demand, statement, authorization, approval or consent made hereunder shall be in writing and shall be sent by Federal Express, or other reputable nationally recognized overnight courier service, or by postage pre-paid registered or certified mail, return receipt requested, and shall be deemed given when received or refused (as indicated on the receipt) and addressed as follows:

If to the Mortgagor:

American National Bank and Trust Company of Chicago,
not personally but as Trustee of Trust No. 57792
33 North LaSalle Street
Chicago, Illinois 60690

If to Beneficiary:

John Apostolou
308 West Randolph Street
Suite 402
Chicago, Illinois 60606

With a copy to:

James J. Roche
James J. Roche & Associates
642 North Dearborn Street
Chicago, Illinois 60610

If to the Mortgagee:

Fortis Benefits Insurance Company
500 Bielenberg Drive
Woodbury, Minnesota 55125
Attention: General Counsel

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With a copy to:

Fortis Private Capital, Inc.
333 Thornall Street
Edison, New Jersey 08837
Attention: Senior Vice President

it being understood and agreed that the Mortgagee will use reasonable efforts to send copies of any notices to the addresses marked "With a copy to" hereinabove set forth; provided, however, that failure of the Mortgagee to deliver such copy or copies shall have no consequence whatsoever to the effectiveness of any notice made to the Mortgagor and/or Beneficiary. Each party may designate a change of address by notice given, as herein provided, to the other party, at least fifteen (15) days prior to the date such change of address is to become effective.

2. Waiver of Notice. Neither the Mortgagor nor Beneficiary shall be entitled to any notices of any nature whatsoever from the Mortgagee except with respect to matters for which this Mortgage specifically and expressly provides for the giving of notice by the Mortgagee to the Mortgagor and/or Beneficiary, and the Mortgagor and/or Beneficiary hereby expressly waives the right to receive any notice from the Mortgagee with respect to any matter for which this Mortgage does not specifically and expressly provide for the giving of notice by the Mortgagee to the Mortgagor and/or Beneficiary.

3. Estoppel Certificates. The Mortgagor and/or Beneficiary, within ten (10) days after request by the Mortgagee and at the Mortgagor's and/or Beneficiary's expense, will furnish the Mortgagee with a statement, duly acknowledged and certified, setting forth the amount of the Debt and the offsets or defenses thereto, if any.

4. Changes in Laws Regarding Taxation. In the event of the passage after the date of this Mortgage of any law of the State in which the Mortgaged Property is located deducting from the value of real property for the purpose of taxation any lien or encumbrance thereon or changing in any way the laws for the taxation of mortgages or debts secured by mortgages for state or local purposes or the manner of the collection of any such taxes, and imposing a tax, either directly or indirectly, on this Mortgage, the Note or the Debt, the Mortgagor and/or Beneficiary shall, if permitted by law, pay any tax imposed as a result of any such law within the statutory period or within fifteen (15) days after demand by the Mortgagee, whichever is less, provided, however, that if, in the opinion of the attorneys for the Mortgagee, the Mortgagor and/or Beneficiary is not permitted by law to pay such taxes, the Mortgagee shall have the right, at its option, to declare the Debt due and payable on a date specified in a prior notice to the Mortgagor and/or Beneficiary of not less than thirty (30) days.

5. No Credits on Account of the Debt. The Mortgagor and/or Beneficiary will

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not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the Taxes assessed against the Mortgaged Property or any part thereof and no deduction shall otherwise be made or claimed from the taxable value of the Mortgaged Property, or any part thereof, by reason of this Mortgage or the Debt.

6. Documentary Stamps. If at any time the United States of America, any state thereof, or any governmental subdivision of any such state, shall require revenue or other stamps to be affixed to the Note or this Mortgage, the Mortgagor and/or Beneficiary will, upon demand, pay for the same, with interest and penalties thereon, if any.

7. Filing of Mortgage, etc. The Mortgagor and/or Beneficiary forthwith upon the execution and delivery of this Mortgage and thereafter, from time to time, will cause this Mortgage and any extension, modification, renewal or replacement hereof, and any security instrument creating a lien or evidencing the lien hereof upon the Mortgaged Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect, preserve and perfect the lien hereof upon, and the interest of the Mortgage in, the Mortgaged Property. The Mortgagor and/or Beneficiary will pay all title insurance fees and charges, all filing, registration and recording fees, and all expenses incident to the preparation, execution and acknowledgment of this Mortgage, any mortgage supplemental hereto, any security instrument with respect to the Mortgaged Property, and any instrument of further assurance, and all Federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage, any mortgage supplemental hereto, any security instrument with respect to the Mortgaged Property or any instrument of further assurance. The Mortgagor and/or Beneficiary shall hold harmless and indemnify the Mortgagee, its successors and assigns, against any liability incurred by reason of the imposition of any tax on the making and recording of this Mortgage.

8. Further Acts, etc. The Mortgagor and/or Beneficiary will at the cost of the Mortgagor and/or Beneficiary, and without expense to the Mortgagee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignments, transfers and assurances as the Mortgagee shall, from time to time, require for the better assuring, conveying, assigning, transferring and confirming unto the Mortgagee the property and rights hereby mortgaged or intended now or hereafter so to be, or which the Mortgagor and/or Beneficiary may be or may hereafter become bound to convey or assign to the Mortgagee, or for carrying out the intention or facilitating the performance of the terms of this Mortgage or for filing, registering or recording this Mortgage and, on demand, will execute and deliver and hereby authorizes the Mortgagee to execute in the name of the Mortgagor and/or Beneficiary to the extent the Mortgagee may lawfully do so, one or

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more financing statements, chattel mortgages or comparable security instruments, to evidence more effectively the lien hereof upon the Mortgaged Property.

9. Usury Laws. This Mortgage and the Note are subject to the express condition that at no time shall the Mortgagor and/or Beneficiary be obligated or required to pay interest on the principal balance due under the Note at a rate which could subject the holder of the Note to either civil or criminal liability as a result of being in excess of the maximum interest rate which the Mortgagor and/or Beneficiary is permitted by law to contract or agree to pay. If, by the terms of this Mortgage or the Note, the Mortgagor and/or Beneficiary is at any time required or obligated to pay interest on the principal balance due under the Note at a rate in excess of such maximum rate, the rate of interest under the Note shall be deemed to be immediately reduced to such maximum rate and the interest payable shall be computed at such maximum rate and all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of the principal balance of the Note.

10. Brokerage. The Mortgagor represents to and covenants and agrees with the Mortgagee and/or Beneficiary represents and warrants to and covenants and agrees with the Mortgagee that no brokerage commission or other fee, commission or compensation is to be paid by the Mortgagee with respect to this Mortgage or the Debt, that any such brokerage commission or other fee, commission or compensation due any party in connection with this Mortgage or the Debt has been paid in full by the Mortgagor and/or Beneficiary, and no party has any right or claim to any further commission, fee, compensation or payment; the Mortgagor and Beneficiary agrees to indemnify the Mortgagee against any claims for any of the same.

11. Indemnity. Anything in this Mortgage or the other Loan Documents (hereinafter defined) to the contrary notwithstanding, the Mortgagor and Beneficiary shall indemnify and hold the Mortgagee harmless and defend the Mortgagee at the Mortgagor's and/or Beneficiary's sole cost and expense against any loss or liability, cost or expense (including, without limitation, reasonable attorneys' fees and disbursements of the Mortgagee's counsel, whether in-house staff, retained firms or otherwise), and all claims, actions, procedures and suits arising out of or in connection with (i) any ongoing matters arising out of the transaction contemplated hereby, the Debt, this Mortgage, the Note or any other document or instrument now or hereafter executed and/or delivered in connection with the Debt (the "Loan Documents") including, but not limited to, all costs of reappraisal and environmental audit of the Mortgaged Property or any part thereof, whether required by law, regulation, the Mortgagee or any governmental or quasi-governmental authority, (ii) any amendment to, or restructuring of, the Debt and this Mortgage, the Note or any of the other Loan Documents, (iii) any and all lawful action that may be taken by the Mortgagee in connection with the enforcement of the provisions of this Mortgage or the Note or any of the other Loan Documents, whether or not suit is filed in connection with the same, or in connection with the Mortgagor and/or

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Beneficiary, any Guarantor and/or any partner, joint venturer or shareholder thereof becoming a party to a voluntary or involuntary federal or state bankruptcy, insolvency or similar proceeding and (iv) the past, current and/or future sale or offering for sale of limited partnership interests in the Mortgagor and/or Beneficiary, including, without limitation, liabilities under any applicable securities or blue sky laws. All sums expended by the Mortgagee shall be payable on demand and, until reimbursed by the Mortgagor and/or Beneficiary pursuant hereto, shall be deemed additional principal of the Debt and secured hereby and shall bear interest at the Default Rate.

12. No Oral Change. This Mortgage may only be modified, amended or changed by an agreement in writing signed by the Mortgagor and Beneficiary and the Mortgagee, and may only be released, discharged or satisfied of record by an agreement in writing signed by the Mortgagee. No waiver of any term, covenant or provision of this Mortgage shall be effective unless given in writing by the Mortgagee and if so given by the Mortgagee shall only be effective in the specific instance in which given. The Mortgagor and/or Beneficiary acknowledges that the Note, this Mortgage and the other documents and instruments executed and delivered in connection therewith or otherwise in connection with the loan secured hereby set forth the entire agreement and understanding of the Mortgagor and/or Beneficiary and the Mortgagee with respect to the loan secured hereby and that no oral or other agreement, understanding, representation or warranty exists with respect to the loan secured hereby other than those set forth in the Note, this Mortgage and such other executed and delivered documents and instruments.

13. Enforceability. This Mortgage and the obligations arising hereunder shall be governed by, and construed in accordance with, the laws of the State in which the Mortgaged Property is located and any applicable laws of the United State of America. Whenever possible, each provision of this Mortgage shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Mortgage shall be unenforceable or prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such unenforceability, prohibition or invalidity, without invalidating the remaining provisions of this Mortgage.

14. Relationship. The relationship of the Mortgagee to the Mortgagor and Beneficiary hereunder is strictly and solely that of lender and borrower and mortgagor and mortgagee and nothing contained in the Note, this Mortgage or any other document or instrument now or hereafter executed and delivered in connection therewith or otherwise in connection with the loan secured hereby is intended to create, or shall in any event or under any circumstance be construed as creating, a partnership, joint venture, tenancy-in-common, joint tenancy or other relationship of any nature whatsoever between the Mortgagee and the Mortgagor and/or Beneficiary other than as lender and borrower and mortgagor and mortgagee.

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15. Liability. If the Mortgagor consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several.

16. Certain Definitions. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Mortgage shall be used interchangeably in singular or plural form and the word "Mortgagor" shall mean each the Mortgagor and any subsequent owner or owners of the Mortgaged Property or any part thereof or interest therein; the word "Mortgagee" shall mean the Mortgagee or any subsequent holder of the Note; the word "Note" shall mean the Note, any amendment, extension, modification, restatement or replacement thereof or any other evidence of indebtedness secured by this Mortgage; the word "Guarantor" shall mean each person guaranteeing payment of the Debt or any portion thereof or performance by the Mortgagor and/or Beneficiary of any of the terms of this Mortgage and their respective heirs, executors, administrators, legal representatives, successors and assigns; the word "person" shall include an individual, corporation, partnership, trust, unincorporated association, government, governmental authority, or other entity; the words "Mortgaged Property" shall include any portion of the Mortgaged Property or interest therein. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

17. Headings, etc. The headings and captions of various paragraphs of this Mortgage are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

18. Duplicate Originals. This Mortgage may be executed in any number of duplicate originals, and each such duplicate original shall be deemed to constitute but one and the same instrument.

19. Reasonableness. If at any time the Mortgagor and/or Beneficiary believes that the Mortgagee has not acted reasonably in granting or withholding any approval or consent under the Note, this Mortgage or any other document or instrument now or hereafter executed and delivered in connection therewith or otherwise with respect to the loan secured hereby, as to which approval or consent either the Mortgagee has expressly agreed to act reasonably, or absent such agreement, a court of law having jurisdiction over the subject matter would require the Mortgagee to act reasonably, then the Mortgagor's and Beneficiary's sole remedy shall be to seek injunctive relief or specific performance and no action for monetary damages or punitive damages shall in any event or under any circumstance be maintained by the Mortgagor and/or Beneficiary against the Mortgagee.

20. Trustee's Exculpation. This Instrument is executed by American National Bank and Trust Company of Chicago, not personally but solely as Trustee aforesaid in


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the exercise of the power and authority conferred upon and vested in it as such Trustee. It being 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. No personal liability or personal responsibility is assumed by or shall at any time be assessed or enforceable against the Trustee on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the Trustee.

IN WITNESS WHEREOF, the Mortgagor and/or Beneficiary has duly executed this Mortgage the day and year first above written.

**AMERICAN NATIONAL BANK AND TRUST
COMPANY OF CHICAGO**, not personally but as
Trustee


Gregory S. Kasprzyk
ASSISTANT SECRETARY


By: 
Name: Michael Whelan
Title: VP

JOINDER:

The undersigned hereby join in the execution of this Mortgage for the purpose of making, ratifying, confirming and publishing the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the undersigned.

JOHN APOSTOLOU, not personally but as Trustee
under the **JOHN APOSTOLOU TRUST** dated June 20, 1986


John Apostolou, as Trustee aforesaid


John Apostolou

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STATE OF ILLINOIS

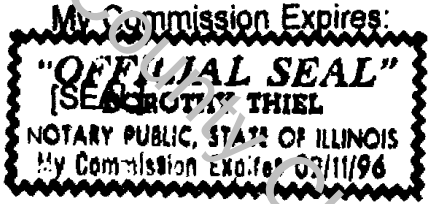
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) ss.
)

COUNTY OF COOK

I, Dorothy Thiel, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that J. MICHAEL WHELAN, VICE PRESIDENT President of American National Bank and Trust Company of Chicago, and Gregory S. Kasprzyk, ASSISTANT Secretary of said association, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such VICE President and ASSISTANT Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act and as the free and voluntary act of said association, as Trustee as aforesaid, for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 14 day of Jan, 1993. 1993

Dorothy Thiel
Notary Public



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STATE OF ILLINOIS

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) ss.

COUNTY OF COOK

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I, B. Vaughnette Cipria, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that John Apostolou, in his capacity as Trustee of the JOHN APOSTOLOU TRUST dated June 20, 1986, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Trustee, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said Trust, for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 22nd day of Dec, 1993.

B. Vaughnette Cipria
Notary Public

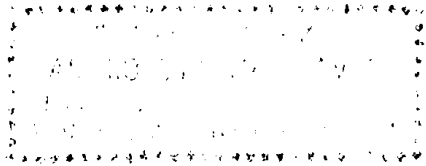
My Commission Expires:

[SEAL]

.....
"OFFICIAL SEAL"
B. VAUGHNETTE CIPRIA
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires Nov. 13, 1997
.....

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STATE OF ILLINOIS

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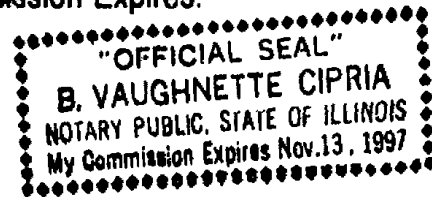
COUNTY OF COOK

I, B. Vaughnette Cipria, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that John Apostolou, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 22nd day of Dec, 1993.

B. Vaughnette Cipria
Notary Public
My Commission Expires:

[SEAL]



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EXHIBIT A

[Description of Premises]

Lot 2 (except the North 102.1 feet thereof measured on the West Line thereof) in Lappin and Others' Subdivision of Block 23 in the Subdivision by Commissioner's of Illinois and Michigan Canal of the South Fractional 1/4 of Section 3, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Permanent Index No.: 07-03-229-012, Volume 496

Street Address: 20-24 East Chicago Avenue, Chicago, Illinois

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EXHIBIT B

PERMITTED EXCEPTIONS

1. Perpetual Easement over, upon and under the North 16 feet of the land as contained in Document Recorded as No. 4286016, to be used an alley.

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