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FIRST AMENDMENT TO JUNIOR MORTGAGE,
 ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

THIS FIRST AMENDMENT TO JUNIOR MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT ("Amendment to Mortgage") is entered into and executed as of this 27th day of June, 1995, by and between American National Bank and Trust Company of Chicago, not individually, but solely as Trustee under Trust No. 48638 dated May 5, 1978 (the "Mortgagor"), having its principal address at 33 North LaSalle Street, Chicago, Illinois 60602, Jefferson Partners Limited Partnership, an Illinois limited partnership and the sole beneficiary of the Trust described above (the "Beneficiary"), having its principal address at 357 West Chicago Avenue, Chicago, Illinois 60610, and the City of Chicago, Illinois, through its Department of Planning and Development, having its principal office at 121 North LaSalle Street, Room 1000, Chicago, Illinois 60602 ("Mortgagee" or the "City").

TICOR TITLE INSURANCE

All capitalized terms, unless defined herein, shall have the same meanings as are set forth in that certain Urban Development Action Grant Redevelopment Agreement dated as of January 26, 1987 between Mortgagor, Beneficiary and Mortgagee (herein as the same may be amended, supplemented or restated on the date hereof or from time to time called the "216 Redevelopment Agreement").

W I T N E S S E T H:

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WHEREAS, the City Council of the City ("City Council") enacted an ordinance on March 20, 1985, published at pages 14484-14485 of the Journal of Proceedings of the City Council of that date, pursuant to which the City and the United States Department of Housing and Urban Development ("HUD") entered into that certain UDAG Grant Agreement for Urban Development Action Grant Number B-85-AA-17-0216 in the amount of \$200,000, effective October 16, 1985, with such amount to be loaned by the City to the Beneficiary for the acquisition of land and rehabilitation of a vacant structure located at 216 South Jefferson Street, Chicago, Illinois, as further described on Exhibit A hereto (the "Real Property"); and

WHEREAS, the City Council enacted an ordinance on March 20, 1985, published at pages 14482-14483 of the Journal of Proceedings of the City Council of that date, pursuant to which, the City and HUD entered into that certain UDAG Grant Agreement for Urban Development Action Grant Number B-85-AA-17-0218 in the amount of \$400,000, effective October 16, 1985, with such amount to be loaned by the City to the Beneficiary for the acquisition of land and rehabilitation of a vacant structure located at 217 North Jefferson Street, Chicago, Illinois ("217 North Jefferson"); and

WHEREAS, the City Council enacted an ordinance on January 16, 1986, published at pages 26057-26082 of the Journal of Proceedings of the City Council of that date, pursuant to which the City, Mortgagor and the Beneficiary entered into the 216 Redevelopment Agreement and related documents, providing for a loan from the City to the Mortgagor and the Beneficiary in the amount of \$200,000 (the "216 Loan"), evidenced by a Promissory Note of even date made by Mortgagor in favor of the City in the principal amount of \$200,000 (the "216 Note") and secured by that certain Junior Mortgage, Assignment of Rents and Security Agreement dated January 26, 1987 made by Mortgagor in favor of the City as mortgagee, recorded in the office of the Cook County, Illinois Recorder of Deeds on April 7, 1987 as document number 87184075 (the "216 Junior Mortgage"); and

WHEREAS, the 216 Junior Mortgage is and was subordinate only to that certain Mortgage dated October 1, 1985 made by Mortgagor in favor of First Wisconsin National Bank of Milwaukee (the "Bank") subsequently known as Firststar Bank Milwaukee, N.A.) and First Wisconsin Trust Company (the "Trust Company," subsequently known as Firststar Trust Company) (the Bank and the Trust Company collectively referred to herein as the "Senior Lender") as trustee under that certain Indenture of Trust dated October 1, 1985 relating to the 216 Senior Financing as mortgagee, recorded in the office of the Cook County, Illinois Recorder of Deeds on November 21, 1985 as document number 85292487 (the "216 Senior

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Mortgage"), relating to the issuance of \$3,000,000 Illinois Development Finance Authority Industrial Revenue Bonds (the "216 Senior Financing"); and

WHEREAS, the City Council enacted an ordinance on January 16, 1986, published at pages 26052-26067 of the Journal of Proceedings of the City Council of that date, pursuant to which the City, the Beneficiary and the 217 Trustee entered into that certain Urban Development Action Grant Redevelopment Agreement dated January 26, 1987 (the "217 Redevelopment Agreement") and related documents, providing for a loan from the City to the 217 Trustee and the Beneficiary in the amount of \$400,000 (the "217 Loan," referred to herein with the 216 Loan as the "Loans"), evidenced by a Promissory Note of even date therewith made by the 217 Trustee in favor of the City in the principal amount of \$400,000 (the "217 Note") and secured by that certain Junior Mortgage, Assignment of Rents and Security Agreement dated January 26, 1987 made by the 217 Trustee as mortgagor in favor of the City as mortgagee, recorded in the office of the Cook County, Illinois Recorder of Deeds on April 7, 1987 as document number 87184074 (the "217 Junior Mortgage"); and

WHEREAS, the 217 Junior Mortgage is and was subordinate only to that certain Mortgage dated October 1, 1985 made by the 217 Trustee as mortgagor in favor of the Bank and the Trust Company as trustee under that certain indenture of Trust dated October 1, 1985 relating to the 217 Senior Financing as mortgagee, recorded in the office of the Cook County, Illinois Recorder of Deeds on November 21, 1985 as document number 85292489 (the "217 Senior Mortgage") relating to the issuance of \$3,670,000 Illinois Development Finance Authority Industrial Revenue Bonds (the "217 Senior Financing"); and

WHEREAS, the rights, powers, duties, obligations and responsibilities of the Department of Planning were assumed by the Department of Planning and Development ("DPD") pursuant to an ordinance passed by the City Council on December 11, 1991 and published at pages 10936-10978 of the Journal of Proceedings of the City Council of that date; and

WHEREAS, the Beneficiary, Mortgagor and the 217 Trustee have met with financial difficulties and have requested that DPD restructure the Loans by (i) amending the terms of the 216 Note and the 217 Note to allow for a longer period of time under which interest under the Loans would be deferred; (ii) amending the description of the debt in the Loan Documents to transfer the remaining debt of the 217 Loan to the 216 Loan, with the revised 216 Loan to be secured by the 216 Junior Mortgage; (iii) cancelling the 217 Note and the 217 Loan Documents, and releasing Mortgagor's lien against 217 North Jefferson as evidenced by the

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217 Junior Mortgage and other documents; and (iv) otherwise restructuring the Loans, all in accordance with the terms set forth herein; and

Whereas, in connection with the restructuring, Mortgagee, the Bank, the Trust Company and the 217 Senior Trustee are entering into an Intercreditor Agreement dated the date hereof (the "Intercreditor Agreement"); and

WHEREAS, the Beneficiary, Mortgagor and the 217 Trustee shall benefit from the restructuring of the Loans on the terms described above, herein, and in the other Loan Documents and the 217 Loan Documents; and

WHEREAS, the City Council enacted an ordinance on May 17, 1995, pursuant to which the City is authorized to restructure the Loans; and

WHEREAS, in connection with the restructuring of the Loans, Mortgagee, Mortgagor and the Beneficiary have executed a First Amendment to Promissory Note dated the date hereof with respect to the 216 Note (the 216 Note, with all amendments, supplements and modifications executed on the date hereof or from time to time, referred to herein as the "Amended 216 Note"); and

WHEREAS, Mortgagee desires to secure repayment of the indebtedness evidenced by the Amended 216 Note, together with interest, if any, thereon, in accordance with the terms of the Loan Documents and any additional indebtedness or obligations incurred by Mortgagor and/or the Beneficiary on account of any future payments, advances or expenditures made by Mortgagee pursuant to the Loan Documents; and

WHEREAS, in order to secure payment of principal and interest, if any, under the Amended 216 Note and of all other payments due to Mortgagee by Mortgagor and/or the Beneficiary under any of the Loan Documents and performance of the covenants and agreements contained in this Amendment to Mortgage, including any substitutions, extensions or modifications hereto, Mortgagor, Beneficiary and Mortgagee hereby agree to amend the 216 Junior Mortgage by execution of this Amendment to Mortgage; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. RECITALS. The above recitals are incorporated herein and made a part hereof by reference.

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SECTION 2. MORTGAGED PROPERTY. The paragraphs on pages one and two of the 216 Junior Mortgage describing the "Mortgaged Property" shall be amended as follows:

(i) Subsection (B) of the description of Mortgaged Property shall be amended by deleting all language after the phrase "shall be attached to," and by adding the following language after such phrase:

located in or on, forming part of, used or intended to be used in connection with or incorporated in the Real Property, now or hereafter owned by Mortgagor, including all extensions, additions, betterments, renewals, substitutions and replacements of any of the foregoing (the "Improvements");

(ii) The description of Mortgaged Property shall be amended by adding the following subparagraphs after subparagraph (C):

(D) any interests, estates or other claims of every name, kind or nature, both at law and in equity, which Mortgagor or the Beneficiary now has or may acquire in the Real Property, the Improvements, the Equipment (as hereinafter defined) or any of the property described in clauses (E), (G), (H), (I) or (J) hereof;

(E) all of Mortgagor's or Beneficiary's interest and rights as lessor in and to all leases, subleases and agreements, written or oral, now or hereafter entered into, affecting the Real Property, the Improvements, the Equipment or any part thereof, and all income, rents, issues, proceeds and profits accruing therefrom (provided that the assignment hereby made shall not diminish or impair the obligations of Mortgagor or the Beneficiary under the provisions of such leases, subleases or agreements, nor shall such obligations be imposed on Mortgagee);

(F) all right, title and interest of Mortgagor or the Beneficiary in and to all fixtures, personal property of any kind or character now or hereafter attached to, contained in and used or useful in connection with the Real Property or the Improvements, together with all furniture, furnishings, apparatus, goods, systems, fixtures and other items of personal property of every kind and nature, now or hereafter located in, upon or affixed to the Real Property or the Improvements, or used or useful in connection with any present

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or future operation of the Real Property or the Improvements, including, but not limited to, all apparatus and equipment used to supply heat, gas, air conditioning, water, light, power, refrigeration, electricity, plumbing and ventilation, including all renewals, additions and accessories to and replacements of and substitutions for each and all of the foregoing, and all proceeds therefrom (the "Equipment");

- (G) all of the estate, interest, right, title or other claim or demand which Mortgagor or the Beneficiary now has or may acquire with respect to
(i) proceeds of insurance in effect with respect to the Real Property, the Improvements or the Equipment, and (ii) any and all awards, claims for damages, judgments, settlements and other compensation made for or consequent upon the taking by condemnation, eminent domain or any like proceeding of all or any portion of the Real Property, the Improvements or the Equipment;
- (H) all intangible personal property, accounts, licenses, permits, instruments, contract rights, and chattel paper of Mortgagor or the Beneficiary, including, but not limited to cash, accounts receivable, bank accounts, certificates of deposit, rights (if any) to amounts held in escrow, deposits, judgments, liens and causes of action, warranties and guarantees, relating to the Real Property, the Equipment or the Improvements or as otherwise required under the Loan Documents;
- (I) all other property rights of Mortgagor or the Beneficiary of any kind or character related to all or any portion of the Real Property, the Improvements or the Equipment; and
- (J) the proceeds from the sale, transfer, pledge or other disposition of any or all of the property described in the preceding clauses.

(iii) The description of "Mortgaged Property" shall be amended to include the following paragraph to be inserted after subparagraph (J) above:

The parties hereto hereby agree, intend and declare that all the aforesaid property rights and interests shall, so far as permitted by law, be deemed to form a part and parcel of the Mortgaged Property and be covered by the Mortgage.

SECTION 3. MORTGAGOR. The trust agreement for which

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Mortgagor is the trustee constitutes a "land trust" as said term is defined in Section 5/15-1205 of the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-1101 et seq., as amended, supplemented and restated from time to time (the "Act").

SECTION 4. COVENANTS. Mortgagor and the Beneficiary hereby covenant and agree as follows:

4.01 Mortgagor shall pay promptly when due any sums due under the Senior Financing Documents and shall perform promptly and fully any acts required under the Senior Financing Documents. Mortgagor will not, without prior written consent of Mortgagee, modify, extend or amend the Senior Financing Documents. Mortgagor shall promptly give Mortgagee a copy of any notice received by Mortgagor from Senior Lender or given by Mortgagor to Senior Lender pursuant to any of the Senior Financing Documents.

4.02 Section 1.01(a) of the 216 Junior Mortgage shall be deleted and replaced by the following:

(a) Mortgagor agrees to pay or cause to be paid, prior to delinquency, all Charges (as hereinafter defined) which are assessed or imposed upon the Real Property or upon any of the Loan Documents, or the Senior Financing Documents, or become due and payable, and which creates, may create or appear to create a lien upon the Mortgaged Property or any part thereof or upon any of the Loan Documents or the Senior Financing Documents. ("Charge" shall mean and include all federal, state, county, city, municipal or other governmental (or any instrumentality, division, agency, body or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances related to the Mortgaged Property, Borrower's Liabilities, Mortgagor and/or the Beneficiary, or any of the Loan Documents or the Senior Financing Documents.) Mortgagor shall furnish Mortgagee, within 30 days after the date upon which any Charge is due and payable by Mortgagor, official receipts of the appropriate authority, or other proof satisfactory to Mortgagee, evidencing the payment thereof.

Mortgagor shall have the right before any delinquency occurs to contest or object to the amount or validity of any Charge by appropriate legal proceedings properly instituted and prosecuted in such manner as shall stay collection of the contested Charge and prevent the imposition of a lien or the sale or forfeiture of the Mortgaged Property to collect the same; provided that no such contest or objection shall be deemed or construed in any way as relieving, modifying or extending Mortgagor's covenant to pay any such Charge at the time and in the manner provided in this Mortgage unless Mortgagor has given prior written notice to Mortgagee of Mortgagor's intent to contest or object to a Charge and, unless at Mortgagee's sole option, (i) Mortgagor shall demonstrate to Mortgagee's satisfaction that legal proceedings

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instituted by Mortgagor contesting or objecting to such Charge shall conclusively operate to prevent a lien against or the sale or forfeiture of the Mortgaged Property or any part thereof as satisfaction of such Charge prior to final determination of such proceedings, and (ii) Mortgagor shall furnish to Mortgagee or Senior Lender (and if to Senior Lender, notice thereof to Mortgagee) a good and sufficient bond or surety, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Mortgaged Property during the pendency of such contest, in an amount (x) not less than 125% of such Charge and (y) adequate fully to pay all such contested Charges and all interest and penalties upon the adverse determination of such contest.

4.03 Section 1.01 (b) of the 216 Junior Mortgage shall be deleted and replaced by the following:

(b) Mortgagor shall not create, effect, contract for, commit to, consent to, suffer or permit any conveyance, sale, assignment, transfer, lien (including mechanic's, laborer's, materialmen's or statutory liens), pledge, mortgage, security interest or other encumbrance or alienation (or any agreement to do any of the foregoing), directly or indirectly, by willful act, by operation of law or otherwise, of all or any portion of the Mortgaged Property or any interest therein, other than Permitted Encumbrances, or any interest in Mortgagor, the Beneficiary or any general partner of the Beneficiary (each of the foregoing being referred to herein as a "Prohibited Transfer"), without Mortgagee's prior written consent (except for leases of all or any portion of the Mortgaged Property described in Exhibit C attached hereto or entered into in the Mortgagor's or Beneficiary's ordinary course of business). If Mortgagor shall do or allow any of the foregoing Prohibited Transfers without Mortgagee's prior written consent, Mortgagee at its option, has the right to accelerate the maturity of the 216 Note causing the full principal balance thereof and accrued interest, if any, thereon to be immediately due and payable without notice to Mortgagor. Any waiver by Mortgagee of the provisions of this paragraph shall not be deemed to be a waiver of the right of Mortgagee to insist upon strict compliance with the provisions of this paragraph in the future.

4.04 Section 1.02 of the 216 Junior Mortgage shall be deleted and replaced with the following:

The Beneficiary shall procure and maintain, or cause to be procured and maintained, at its sole cost and expense, at all times throughout the term of the 216 Loan, and until each and every obligation of the Beneficiary and the Mortgagor contained in the Loan Documents has been fully performed, the types of insurance specified below, with insurance companies authorized to do business in the State of Illinois. The Mortgagee shall have

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the right to procure and maintain such coverage if the Beneficiary fails to do so;

(A) Insurance Requirements: The Beneficiary shall procure and maintain, or cause to be procured and maintained, the following kinds and amounts of insurance:

(i) Workers' Compensation and Occupational Disease Insurance

Workers' Compensation and Occupational Disease Insurance, in accordance with the laws of the State of Illinois or any other applicable jurisdiction, covering all employees of Beneficiary who are to provide a service to the Beneficiary, and employer's liability coverage, with limits of not less than \$100,000.00 for each accident or illness.

(ii) Commercial Liability Insurance (Primary and Umbrella)

Commercial Liability Insurance or equivalent with limits of not less than \$1,000,000.00 per occurrence, combined single limit, for bodily injury, personal injury and property damage liability. Coverage extensions shall include the following: all premises and operations, products/completed operations, independent contractors, cross liability, personal injury with no exclusion pertaining to employment and contractual obligations, and contractual liability (with no limitation endorsement). The Mortgagee, its employees, elected officials, agents and representatives are to be named as additional insureds on a primary, non-contributory basis for any liability arising directly or indirectly under or in connection with the Loan Documents or the Beneficiary's operations.

(iii) All Risk Property: The Beneficiary shall obtain an All Risk Property policy throughout the term of the Loan Documents, including improvements and betterments in the amount of full replacement value of the property. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable.

(B) Other Provisions

(i) Delivery of certificates to Mortgagee: The Beneficiary shall furnish the following certificates to

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Mortgagee at City Hall, Room 511, 121 North LaSalle Street, Chicago, Illinois 60602:

--Original certificates of insurance evidencing the required coverage, showing Mortgagee as a certificate holder and, if applicable, loss payee or additional insured, to be in force on the date of execution of the Loan Documents, and renewal certificates of insurance or other evidence of renewal, if the coverages have an expiration or renewal date occurring during the term of the Loan Documents. Each certificate shall provide for at least thirty (30) days' written notice to Mortgagee prior to the expiration of any policy. Each certificate of insurance shall provide that Mortgagee is to be given sixty (60) days prior written notice in the event coverage is substantially changed, cancelled or not renewed; and

--Original City of Chicago Insurance Certificate of Coverage Form (blank form to be obtained from Mortgagee).

The receipt of the required certificates by Mortgagee does not constitute an agreement by Mortgagee that the insurance requirements herein have been fully met or that the insurance policies indicated on the certificates are in compliance with all requirements hereunder. The failure of Mortgagee to receive such certificates or to receive certificates that fully conform to the requirements herein shall not be deemed to be a waiver by Mortgagee of any of the insurance requirements set forth herein.

(ii) Receipt by the Beneficiary of policies or certificates: The Beneficiary shall advise all insurers of the insurance requirements set forth herein, and the receipt by the Beneficiary of policies or certificates that do not conform to these requirements shall not relieve the Beneficiary of its obligation to provide the insurance as set forth herein or required by law. Failure to comply with the insurance provisions herein constitutes an Event of Default under the 216 Junior Mortgage, and the Mortgagee is entitled to exercise all remedies with respect thereto. The Beneficiary expressly understands and agrees that any coverages and limits furnished by Beneficiary shall in no way limit the Beneficiary's liability and responsibilities specified in the Loan Documents or as required by law.

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(iii) The Beneficiary agrees, and shall cause its insurers to agree, that all such insurers shall waive their rights of subrogation against Mortgagee.

(iv) The limitations set forth in the indemnification provisions in Section 11 hereof, or any limitations on indemnities that may apply as a matter of law, shall in no way limit, reduce or otherwise affect the amounts or types of insurance required hereunder.

(v) The Beneficiary and not Mortgagee is responsible for meeting all of the insurance requirements hereunder. Any insurance or self insurance programs maintained by Mortgagee shall apply in excess of and not contribute with insurance required to be provided by the Beneficiary hereunder.

Any and all deductibles or self-insured retentions on the required insurance coverages shall be borne by the Beneficiary, and shall not be borne by Mortgagee.

If the Beneficiary desires additional coverage, higher limits of liability or other modifications for its own protection, the Beneficiary shall be responsible for the acquisition and cost of such additional protection.

(vi) The City of Chicago Risk Management Department maintains the right to modify or delete the insurance requirements set forth herein so long as such action does not, without the Beneficiary's prior written consent, increase such requirements beyond that which is reasonably customary for similar properties at such time.

4.05 Section 1.03(c) of the 216 Junior Mortgage shall be amended by deleting the phrase "upon twenty-four (24) hours prior written notice to Mortgagor," and the following shall be added as the last sentence of such subsection:

The Beneficiary shall keep and maintain full and correct records at the Beneficiary's office showing in detail the income and expenses of the Mortgaged Property and shall make such books, records and all supporting vouchers, data and other documents available for inspection, copying (including excerpts and transcriptions), audit and examination, at Mortgagee's expense, upon request by Mortgagee and its agents, successors and assigns as long as the 216 Loan is outstanding.

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4.06 Section 1.03(e) of the 216 Junior Mortgage shall be amended by deleting the words "to the extent of" on the fourth line thereof, and replacing such words with the words "notwithstanding any insufficiency of."

4.07 In the event of any damage to, or destruction of the Mortgaged Property, subject to the rights granted to Senior Lender under the 216 Senior Mortgage with respect to the Senior Lender's prior right to the proceeds of any insurance policies, Mortgagor authorizes Mortgagee to proceed as follows:

(a) In the event of any loss covered by insurance policies, Mortgagee is hereby authorized at its option to either (i) settle and adjust any claim under such policies without the consent of Mortgagor or the Beneficiary, or (ii) allow Mortgagor or the Beneficiary to agree with the insurance company or companies on the amount to be paid upon the loss. Mortgagee shall, and is hereby authorized to, collect any such insurance proceeds, and the expenses incurred by Mortgagee in the adjustment and collection of insurance proceeds shall be deemed additional indebtedness secured by this Mortgage and shall be reimbursed to Mortgagee by Mortgagor upon demand.

(b) In the event of any insured damage to, or destruction of, the Mortgaged Property or any part thereof, Mortgagee shall apply the proceeds of insurance to reimburse or, at the option of Mortgagee, pay directly Mortgagor or the Beneficiary for the cost of restoring, repairing, replacing or rebuilding the Mortgaged Property if (i) an Event of Default hereunder or an event of default under any of the other Loan Documents or the Senior Financing Documents shall not have occurred and be continuing; (ii) such insurance proceeds shall be in an amount sufficient to restore the Mortgaged Property to at least the same value and substantially the same character as the Mortgaged Property had immediately prior to such damage or destruction (and subject to no liens or encumbrances other than Permitted Encumbrances), or if such proceeds are not so sufficient, Mortgagor or the Beneficiary shall promptly deposit with Mortgagee funds equal to the amount of such deficiency; (iii) Mortgagor and/or the Beneficiary shall obtain all required governmental approvals with respect to such restoration, repair, replacement or rebuilding; (iv) prior to such restoration, repair, replacement or rebuilding, Mortgagee and/or the Beneficiary shall receive and approve plans and specifications and a detailed budget and cost breakdown with respect to such work; and (v) such restoration, repair, replacement or rebuilding is reasonably susceptible to completion not less than six months prior to the Maturity Date.

(c) In the event that proceeds of insurance, if any, shall be made available to Mortgagor and/or the Beneficiary for the restoration, repair, replacement or rebuilding of the Mortgaged Property, Mortgagor and/or the Beneficiary hereby covenants to

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restore, repair, replace or rebuild the same, to at least equal value, and substantially the same character as prior to such damage or destruction, all to be effected in accordance with plans and specifications submitted to and approved by Mortgagee, and to expend all such proceeds and any funds deposited by Mortgagor or the Beneficiary pursuant to Section 4.07 (b)

(ii) hereof prior to the further disbursement of any 216 Loan proceeds. If the amount of such insurance proceeds shall be in excess of \$50,000, such proceeds shall be disbursed through an escrow pursuant to an escrow agreement approved by Mortgagee.

(d) If all of the conditions described in paragraph (b) of this Section with respect to the application of proceeds of insurance shall not be met, Mortgagee may, in its sole discretion, apply such proceeds to the indebtedness secured hereby in such order or manner as Mortgagee may elect.

(e) To the extent that any amount of proceeds of insurance remain unexpended after completion of the restoration, repair, replacement or rebuilding of the Mortgaged Property, such amount shall be applied to the indebtedness secured hereby.

4.08 Mortgagor and/or the Beneficiary shall give Mortgagee prompt notice of any proceedings, pending or threatened, seeking condemnation or taking by eminent domain or any like process ("Taking"), of all or any portion of the Mortgaged Property or affecting any easement thereon or appurtenance thereto and shall deliver to Mortgagee copies of any and all papers served in connection with any such proceedings, and Mortgagor and/or Beneficiary hereby assigns and transfers to Mortgagee, subject to the rights granted to Senior Lender under the 216 Senior Mortgage, the entire proceeds of all awards resulting from any Taking. Mortgagee is hereby authorized to collect and receive from the condemnation authorities said awards and is further authorized to give appropriate receipts therefor. In the event of any such Taking, but subject to any rights to proceeds granted to Senior Lender under the 216 Senior Mortgage, Mortgagee may, in its sole discretion, (i) apply the proceeds of all awards resulting from such Taking to the indebtedness secured hereby in such order or manner as Mortgagee may elect, or (ii) apply such proceeds to reimburse or, at the option of Mortgagee, pay directly Mortgagor and/or the Beneficiary for the cost of restoring, repairing, replacing or rebuilding the Mortgaged Property. In the event that such proceeds, if any, shall be made available to Mortgagor for the restoration, repair, replacement or rebuilding of the Mortgaged Property, Mortgagor and/or the Beneficiary hereby covenant to restore, repair, replace or rebuild the same, to at least equal value and substantially the same character as prior to such Taking, all to be effected in accordance with plans and specifications submitted to and approved by Mortgagee. If the amount of such proceeds shall be in excess of \$50,000, such proceeds shall be disbursed through an

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escrow pursuant to an escrow agreement approved by Mortgagee.

SECTION 5. ASSIGNMENT OF RENTS. Section 1.05 of the 216 Junior Mortgage will be deleted and replaced by the following:

(a) Notwithstanding anything hereinbefore to the contrary, it is mutually agreed between Mortgagor and Mortgagee that so long as there shall exist no default by Mortgagor in the payment of the 216 Note or in the performance of Mortgagor's obligations hereunder, Mortgagor shall have the right to collect all rents, security deposits, income and profits from the Mortgaged Property and to retain, use and enjoy the same; provided, however, that even before an Event of Default occurs, no rent more than one month in advance (other than reasonable security deposits) shall be collected or accepted without the prior written consent of Mortgagee. Anything to the contrary notwithstanding, after the occurrence of an Event of Default, the Mortgagor and/or the Beneficiary hereby assign to Mortgagee any award made hereafter to the Mortgagor and/or the Beneficiary in any court procedure involving any of the lessees in any bankruptcy, insolvency or reorganization proceedings in any state or federal court, and any and all payments made by lessees in lieu of rent. Upon the occurrence of an Event of Default, the Mortgagor and/or the Beneficiary each hereby appoints Mortgagee as its irrevocable attorney in fact to appear in any action and/or to collect any such award or payment; subject to the condition, however, that if after the occurrence of an Event of Default, said Event of Default shall be cured or waived, the appointment of Mortgagee as attorney in fact for Mortgagor and/or the Beneficiary shall cease and terminate.

(b) The Mortgagor and/or Beneficiary, if an Event of Default has occurred and is continuing, hereby authorize Mortgagee, at its option, to enter and take possession of the Mortgaged Property and to manage and operate the same, to collect all or any rents accruing therefrom and from said leases, to let or relet the Premises or any part thereof, to cancel and modify leases in accordance with their terms, evict tenants, bring or defend any suits in connection with the possession of the Premises in its own name or Mortgagor's and/or the Beneficiary's name, make repairs as Mortgagee deems appropriate, and perform such other acts, in its own name or the Mortgagor's and/or the Beneficiary's name, in connection with the management and operation of the Mortgaged Property as Mortgagee, in its discretion, may deem proper. The Mortgagor and/or the Beneficiary, in such case, shall cooperate with Mortgagee in all other respects to effectuate the terms and conditions hereof.

(c) The receipt by Mortgagee of any rents, income, issues or profits pursuant to this Amendment of Mortgage after the institution of foreclosure proceedings under the 216 Junior Mortgage shall not cure such default nor affect such proceedings

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or any sale pursuant thereto. Upon foreclosure of the 216 Junior Mortgage, it is understood by the Mortgagor and/or the Beneficiary and Mortgagee that Mortgagee's rights under this Section continue through the period of foreclosure.

(d) Mortgagee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by the Mortgagor and/or Beneficiary under any of the said leases, and the provisions of the Section shall not place responsibility for the control, care, management or repair of the Mortgaged Property upon Mortgagee, or make Mortgagee responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Mortgaged Property resulting in loss or injury or death to any tenant, licensee, employee or stranger.

(e) Mortgagor and/or the Beneficiary each covenants and represents to the best of their knowledge that (i) Mortgagor and/or the Beneficiary has full right and title to assign all leases assigned hereunder and the rents, income, issues and profits due or to become due thereunder; (ii) no other assignment of any interest therein has been made other than to the Senior Lender, (iii) there are no existing defaults under the provisions thereof; (iv) all rents due under any of said leases on or before the date hereof have been paid in full to Mortgagor and/or the Beneficiary, except as disclosed to the City in writing on or prior to the date hereof; (v) other than reasonable security deposits, no rents under any of said leases have heretofore been collected more than one month in advance; (vi) Mortgagor and/or the Beneficiary has not granted any concession to any lessee under any of said leases other than as appears in the terms thereof; (vii) Mortgagor and/or the Beneficiary will comply with all of the material terms of all of said leases; (viii) Mortgagor and/or the Beneficiary will promptly give Mortgagee a copy of any notice received by the Mortgagor and/or the Beneficiary concerning any material default by Mortgagor and/or the Beneficiary under any of said leases; and (ix) Mortgagor and/or the Beneficiary will not hereafter cancel, surrender or terminate any of said leases, or exercise any option which might lead to such termination or change, or alter or modify any of said leases or consent to the release of any party liable thereunder or to the assignment of any lessee's interest in the lease to which such lessee is a party, other than in the ordinary course of business of Mortgagor and/or the Beneficiary.

(f) Mortgagor and/or the Beneficiary hereby authorize Mortgagee, if an Event of Default has occurred and is continuing, to give notice in writing of this assignment of rents at any time to any tenant under any of said leases.

(g) The net proceeds collected by Mortgagee under the terms of this assignment of rents shall be applied, at the option of Mortgagee, to pay all costs and expenses in connection with the management and operation of the Mortgaged Property, and/or to pay

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all or any portion of the entire indebtedness from time to time outstanding and secured by the 216 Redevelopment Agreement and the 216 Junior Mortgage. Mortgagee shall not be accountable for any monies other than said net proceeds actually received by Mortgagee under the terms of this assignment of rents, nor shall Mortgagee be liable for any failure to collect rents or other payments due from lessees under the leases assigned hereunder.

SECTION 6. EVENTS OF DEFAULT. The 216 Junior Mortgage shall be amended by deleting Sections 2.01 and 2.02 and replacing them with the following:

The terms "Event of Default" or "Events of Default," whenever used in this Mortgage, shall mean any one or more of the following events:

- (a) Mortgagor's and/or the Beneficiary's failure to pay, when due, any installment of principal of or interest, if any, on the 216 Note, or to pay when due (including any applicable notice and/or cure periods) any other sums required to be paid by Mortgagor and/or the Beneficiary under the Loan Documents, which failure shall continue for ten (10) days;
- (b) default by Mortgagor and/or the Beneficiary in the performance or observance of any condition, warranty, representation, covenant, provision or term (other than as referred to in the other paragraphs of this Section 6) contained herein or in the other Loan Documents, which remains unremedied for 60 days after notice thereof from Mortgagee to Mortgagor and/or the Beneficiary, provided, however, that if any such default cannot reasonably be remedied within said 60-day period and if Mortgagor and/or the Beneficiary shall have commenced to remedy such default within said 60-day period and shall thereafter continue diligently to effect such remedy, then said 60-day period shall be extended to 90 days upon written request from Mortgagor and/or the Beneficiary to Mortgagee delivered during such 60-day period, and upon further written request from Mortgagor to Mortgagee delivered during said 90 day period, said 90 day period shall be extended to 120 days (provided, however, that Mortgagee shall not be precluded during any such periods from exercising any remedies available under any of the Loan Documents if its security becomes or is about to become materially jeopardized by any failure to cure a default within such period);

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- (c) the occurrence of a default or an event of default under any of the 216 Senior Financing Documents which default or event of default is not timely cured pursuant to any applicable cure period as set forth in the 216 Senior Financing Documents;
- (d) a writ of execution, attachment or any similar process shall be issued or levied against all or any portion of the Mortgaged Property or any interest therein, or any judgment involving monetary damages shall be entered against Mortgagor and/or the Beneficiary which shall become a lien on all or any portion of the Mortgaged Property or any interest therein and such execution, attachment or similar process or judgment is not released, bonded, satisfied, vacated or stayed within sixty (60) days after its entry or levy;
- (e) any warranty, representation or statement made or furnished to Mortgagee by or on behalf of Mortgagor and/or the Beneficiary proving to have been false in any material respect when made or furnished;
- (f) Mortgagor's and/or the Beneficiary's sale, partial sale, transfer, refinancing, conveyance, exchange, mortgage, pledge, grant of security interest, sale under foreclosure, assignment, syndication or other disposition of all or any portion of the Mortgaged Property or any interest therein without the prior written consent of Mortgagee, whether by operation of law, voluntarily or otherwise or if Mortgagor and/or Beneficiary shall enter into a contract to do any of the foregoing without the prior written consent of Mortgagee or any other violation of Section 4.03 hereof (except as may be expressly permitted in Section 4.03 hereof or except a contract for sale or financing to pay in full the 216 Note and all other amounts when due and owing by Mortgagor and/or the Beneficiary to Mortgagee under the Loan Documents, provided that any such contract shall be expressly contingent upon the receipt of prior written consent to such sale or financing by Mortgagee, which consent shall not be unreasonably withheld by Mortgagee with respect to any contract providing for payment in full of the 216 Note and all other amounts due and owing by Mortgagor and/or the Beneficiary to Mortgagee under the Loan Documents); provided, however, the replacement or substitution of any machinery or equipment now owned or hereafter

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acquired by Mortgagor and/or the Beneficiary, with machinery or equipment of like kind and value, whether or not such machinery or equipment is deemed a fixture under applicable provisions of the Illinois Uniform Commercial Code, will not be an Event of Default under this Mortgage provided Mortgagor and/or the Beneficiary executes such documents as may be necessary to assure Mortgagee of a continuing perfected second security interest in such replacement or substituted machinery and/or equipment;

- (g) the abandonment by Mortgagor and/or the Beneficiary of all or any portion of the Mortgaged Property;
- (h) the occurrence of any event of default with respect to the payment of any monies due and payable to Mortgagee by Mortgagor and/or the Beneficiary other than in connection with the Loan, or the occurrence of a default in the performance or observance of any material obligation, provision or condition by Mortgagor and/or the Beneficiary under any agreement or other instrument other than in connection with the Loan or the 216 Senior Financing to which Mortgagor and/or the Beneficiary is now or hereafter a party, or the occurrence of any other event under any such agreement or instrument upon which any holder of indebtedness outstanding thereunder may declare the same due and payable, and in each such case the continuation of such default beyond any applicable cure periods;
- (i) Mortgagor's and/or the Beneficiary's failure to discharge any Charge in accordance with the terms hereof or a failure to procure or maintain any insurance required hereunder;
- (j) the dissolution of Mortgagor and/or the Beneficiary or the entry of a decree or order for relief by a court having jurisdiction with respect to Mortgagor and/or the Beneficiary in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) of Mortgagor and/or the Beneficiary or for the Mortgaged Property or for any substantial part of the property of Mortgagor and/or the Beneficiary

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or ordering the winding-up or liquidation of the affairs of Mortgagor and/or the Beneficiary and the continuance of any such decree or order unstayed and in effect for a period of 30 consecutive days;

- (k) the commencement by Mortgagor and/or the Beneficiary of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by Mortgagor and/or the Beneficiary to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of Mortgagor and/or the Beneficiary or the Mortgaged Property or of any substantial part of the property of Mortgagor and/or the Beneficiary or of any royalties, revenues, rents, issues or profits therefrom, or the making by Mortgagor and/or the Beneficiary of any assignment for the benefit of creditors or the failure of each of Mortgagor and/or the Beneficiary generally to pay its debts as such debts become due or the taking of action by Mortgagor and/or the Beneficiary in furtherance of any of the foregoing;
- (l) a final judgment for the payment of money in excess of \$100,000 shall be rendered by a court of competent jurisdiction against Mortgagor and/or the Beneficiary and Mortgagor and/or the Beneficiary shall not discharge the same or provide for its discharge in accordance with its terms, or procure a stay of execution thereof, within 60 days from the date of entry thereof, or such longer period during which execution of such judgment shall have been stayed;
- (m) the sale or other transfer by the Owner of all or a controlling interest in the ownership of General Partner without the prior written consent of Mortgagee, except for any sale or transfer by the Owner of such interest to (i) an affiliate of the Owner, (ii) a member of the Owner's immediate family, or (iii) a trust of which the Owner or a member of Owner's immediate family is the beneficiary; or
- (n) any event of default under any of the other Loan Documents which has not been cured within any applicable grace period.

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SECTION 7. ACCELERATION; REMEDIES; MISCELLANEOUS.

7.01 Section 2.03(a) of the 216 Junior Mortgage shall be amended by deleting the first sentence of subsection (a) and replacing it with the following:

Upon the occurrence of an Event of Default hereunder, Mortgagee may elect to accelerate the maturity of the 216 Note causing the full principal balance of and accrued interest, if any, on the 216 Note, together with all other amounts then due and owing by Mortgagor and/or the Beneficiary to Mortgagee under any of the Loan Documents, to become immediately due and payable at the place of payment as aforesaid, without further notice or demand, and Mortgagee may proceed to foreclose this Mortgage and to exercise any rights and remedies available to Mortgagee under this Mortgage or any of the other Loan Documents and to exercise any other rights and remedies against Mortgagor and/or the Beneficiary, or with respect to the 216 Note, which Mortgagee may have at law, in equity or otherwise; provided, however, that upon the occurrence of an Event of Default under Section 6(j) or (k) of the Amendment to Mortgage, the entire unpaid principal of and interest, if any, on the 216 Note shall, without any declaration, notice or other action on the part of Mortgagee, be immediately due and payable, anything herein or in the other Loan Documents to the contrary notwithstanding. Mortgagee may also elect to commence an action to enforce specifically any of the provisions contained in any of the Loan Documents.

7.02 (a) Section 2.03(c) of the 216 Junior Mortgage shall be amended by adding the following sentence at the beginning of the subsection:

To the extent permitted by law, in any case in which, under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings, whether before or after the institution of such proceedings or before or after sale thereunder, Mortgagor shall, at the option of Mortgagee, surrender to Mortgagee, and Mortgagee shall be entitled to take actual possession of all or any portion of the Mortgaged Property personally or by its agents or attorneys, and Mortgagee, in its sole discretion, may enter upon, take and maintain possession of all or any portion of the Mortgaged Property.

(b) In addition, Section 2.03(c) shall be amended by adding the words ",decoration, alterations," after the word "repairs" in clause (i) of such subsection.

(c) Section 2.03(c) shall be further amended by adding the following sentence at the end of such subsection:

Mortgagee shall have, in addition to any other power provided herein, all powers and duties as provided for in

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Sections 5/15-1701, 5/15-1702 and 5/15-1703 of the Act.

7.03 (a) In case of an Event of Default hereunder by Mortgagor and/or Beneficiary, Mortgagee may (but is not obligated to) make any payment or perform any act herein required of Mortgagor and/or the Beneficiary in any form and manner deemed expedient, and may (but is not obligated to) make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem the Mortgaged Property from any tax sale or forfeiture affecting the Real Property or contest any tax or assessment thereon. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other monies advanced by Mortgagee to protect the Mortgaged Property and the lien hereof, shall be deemed additional indebtedness secured hereby, and shall become immediately due and payable, with interest thereon at a rate of the lesser of 15% per annum or the maximum amount permitted by law. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor and/or the Beneficiary.

(b) To the extent that Mortgagee, on or after the date hereof, pays any sum under any provision of law or any instrument or document creating any lien or other interest prior or superior to the lien of this Mortgage, or Mortgagor and/or the Beneficiary or any other person or entity pays any such sum with the proceeds of the indebtedness secured hereby, Mortgagee shall have and be entitled to a lien or other interest on the Mortgaged Property equal in priority to the lien or other interest discharged and Mortgagee shall be subrogated to, and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such lien, which shall remain in existence and benefit Mortgagee in securing the indebtedness secured hereby.

7.04 Upon the occurrence of an event of default under any of the Senior Financing Documents, Mortgagee may at its option proceed to cure, if possible, such event of default; subject to Section 7.03(b) hereof, all amounts so expended by Mortgagee in the course of such action shall be reimbursed by Mortgagor and/or Beneficiary to Mortgagee upon demand and shall be additional indebtedness of Mortgagor and/or the Beneficiary secured by this Mortgage and the other Loan Documents.

7.05 Section 2.04 of the 216 Junior Mortgage shall be amended by adding the following language at the end of such subsection:

Such appointment may be made either before or after foreclosure sale, without notice, without regard to the solvency or insolvency, at the time of application for such receiver, of

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the person or persons, if any, liable for the payment of the indebtedness hereby secured, without regard to the value of the Mortgaged Property at such time and whether or not the same is then occupied as a homestead, and without bond being required of the applicant. Mortgagee or any employee or agent thereof may be appointed as such receiver.

7.06 Section 2.05 of the 216 Junior Mortgage shall be amended by adding the following sentence at the end of the subsection:

The Mortgaged Property or any interest or estate therein sold pursuant to any court order or decree obtained under this Mortgage shall be sold in one parcel, as an entirety, or in such parcels and in such manner or order as Mortgagee, in its sole discretion, may elect, to the maximum extent permitted by Illinois law.

7.07 Section 2.07 of the 216 Junior Mortgage shall be amended by adding the following sentences at the end of the Section:

Except as otherwise specifically required herein, notice of the exercise of any right or remedy granted to Mortgagee by the Loan Documents is not required to be given. No waiver by Mortgagee of an Event of Default shall waive, suspend or affect any other Event of Default under this Mortgage, whether the same is prior or subsequent thereto, or of the same or a different type. Acceptance by Mortgagee of any payment which is less than payment in full of all amounts due and payable at the time of such payment shall not constitute a waiver of Mortgagee's right to exercise its option to declare the whole of the principal sum then remaining unpaid, together with all accrued interest, if any, thereon, immediately due and payable without notice, or any other rights of Mortgagee at that time or any subsequent time, without its express written consent, except and to the extent otherwise provided by law.

7.08 Wherever provision is made in this Amendment to Mortgage on the 216 Junior Mortgage for insurance policies to bear mortgage clauses or other loss payable clauses or endorsements in favor of Mortgagee, or to confer authority upon Mortgagee to settle or participate in the settlement of losses under policies of insurance or to hold and disburse or otherwise control use of insurance proceeds, from and after the entry of judgment of foreclosure all such rights and powers of Mortgagee shall continue in Mortgagee as judgment creditor or mortgagee until confirmation of sale. Upon confirmation of sale, Mortgagee shall be empowered to assign all policies of insurance to the purchaser at the sale. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied in restoring the

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Mortgaged Property, shall be used to pay the amount due in accordance with any foreclosure decree that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct.

7.09 Acceleration of maturity, once made by Mortgagee, may at the option of Mortgagee be rescinded, and any proceedings brought to enforce any rights or remedies hereunder may, at Mortgagee's option, be discontinued or dismissed. In either of such events, Mortgagor and/or the Beneficiary and Mortgagee shall be restored to their former positions, and the rights, remedies and powers of Mortgagee shall continue as if such acceleration had not been made or such proceedings had not been commenced, as the case may be.

7.10 Unless otherwise specified, any notice, demand or request required under the 216 Junior Mortgage shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) electronic communications, whether by telex, teletype or telecopy; (c) overnight courier, receipt requested; or (d) registered or certified mail, return receipt requested.

If to Mortgagee: Department of Planning and Development
City of Chicago
City Hall, Room 1000
121 North LaSalle Street
Chicago, Illinois 60602
Telecopy: (312) 744-0113
Attention: Commissioner

With copies to: Office of the Corporation Counsel
City of Chicago
121 North LaSalle Street
Room 511
Chicago, Illinois 60602
Telecopy: (312) 744-8532
Attention: Finance & Economic
Development Division

If to Beneficiary: Jefferson Partners Limited Partnership
357 West Chicago Avenue
Chicago, Illinois 60610
Telecopy: (312) 787-9158
Attention: Thrush and Co., Inc.

With copies to: Katten Muchin and Zavis
525 West Monroe Street
Suite 1600
Chicago, IL 60661-3693
Telecopy: (312) 902-1061
Attention: Melvin Katten, Esq.

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If to Mortgagor: American National Bank
and Trust Company of
Chicago, as Trustee u/t/n 48638
33 North LaSalle St.
Chicago, Illinois 60602
Telecopy: (312) _____
Attention: Land Trust Department

Such addresses may be changed by notice to the other parties given in the same manner as above provided. Any notice, demand or request sent pursuant to either clause (a) or (b) above shall be deemed received upon such personal service or upon dispatch by electronic means with confirmation of receipt. Any notice, demand or request sent pursuant to clause (c) above shall be deemed received on the Business Day immediately following deposit with the overnight courier and, if sent pursuant to clause (d) above, shall be deemed received two Business Days following deposit in the mail.

7.11 Time is of the essence with respect to the Loan Documents.

7.12 Section 3.01 of the 216 Junior Mortgage shall be amended by adding the following sentence at the end of such Section:

Whenever Mortgagee is referred to herein, such reference shall also include the Holder of the Note, whether so expressed or not.

7.13 Section 3.03 of the 216 Junior Mortgage shall be deleted and replaced with the following:

3.03 Severability. If any provision of this Mortgage, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held invalid, the remainder of this Mortgage shall be construed as if such invalid part were never included herein and this Mortgage shall be and remain valid and enforceable to the fullest extent permitted by law.

7.14 Section 3.07 of the 216 Junior Mortgage shall be deleted and replaced with the following:

3.07 Applicable Law. This Mortgage shall be construed and enforced according to the internal laws of the State of Illinois without regard to its conflict of laws principles.

SECTION 8. ADDITIONAL INDEBTEDNESS. In the event that:

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(a) the Amended 216 Note is placed in the hands of an attorney for collection or enforcement or is collected or enforced through any legal proceeding; (b) an attorney is retained to represent Mortgagee in any bankruptcy, reorganization, receivership or other proceedings affecting creditors' rights and involving a claim under any of the Loan Documents; (c) an attorney is retained to protect or enforce the lien of this Mortgage, or the liens or security interests of any of the other Loan Documents; or (d) an attorney is retained to represent Mortgagee in any other proceedings whatsoever in connection with the Loan Documents, or any property subject thereto, then Mortgagor and/or the Beneficiary shall pay to Mortgagee all reasonable attorneys' fees, and all costs and expenses incurred in connection therewith.

SECTION 9. SUCCESSORS AND ASSIGNS. This Amendment to Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon each of Mortgagor and/or the Beneficiary and its successors and assigns (including, without limitation, each and every record owner of the Mortgaged Property or any other person having an interest therein), and shall inure to the benefit of Mortgagee and its successors and assigns.

SECTION 10. FURTHER ASSURANCES. Mortgagor and/or the Beneficiary will perform, execute, acknowledge and deliver every act, deed, conveyance, transfer and assurance necessary or proper, in the sole judgment of Mortgagee, for assuring, conveying, mortgaging, assigning and confirming to Mortgagee all property mortgaged hereby or property intended so to be, whether now owned or hereafter acquired by Mortgagor and/or the Beneficiary, and for creating, maintaining and preserving the lien and security interest created hereby on the Mortgaged Property. Upon any failure by Mortgagor and/or the Beneficiary to do so, Mortgagee may make, execute and record any and all such documents for and in the name of Mortgagor and/or the Beneficiary, and each of Mortgagor and/or Beneficiary hereby irrevocably appoints Mortgagee and its agents as attorney-in-fact for that purpose. Mortgagor and/or the Beneficiary will reimburse Mortgagee for any sums expended by Mortgagee in making, executing and recording such documents including attorneys' fees and court costs.

SECTION 11. INDEMNIFICATION. In addition to any other indemnities in favor of Mortgagee specifically provided in this Mortgage, Mortgagor and/or the Beneficiary shall indemnify Mortgagee and save Mortgagee harmless from and against any and all Losses incurred by Mortgagee in any Claim brought by reason of any such Loss, excluding, however, (A) any Loss not arising out of, resulting from, or in any way connected with the Premises, the 217 Loan Documents and/or the Loan Documents, or (B) any Loss arising out of Mortgagee's gross negligence or

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willful misconduct following Mortgagee's acquisition of title to or control of the Mortgaged Property, unless such act is taken in response to (i) any willful misconduct or negligent act or omission of Mortgagor and/or the Beneficiary or General Partner, or (ii) any breach (other than failure to repay the 216 Loan) by Mortgagor and/or the Beneficiary or General Partner of any provisions of the instruments executed by Mortgagor and/or the Beneficiary or General Partner in connection with the 216 Loan.

SECTION 12. JUNIOR MORTGAGE. Notwithstanding any other provision herein to the contrary, the failure by Mortgagor and/or the Beneficiary to provide to Mortgagee any dollar amounts or any documents as may be required herein (but not including payments due to be made under the 216 Note) because such amounts or documents are required to be deposited with Senior Lender pursuant to the provisions of the 216 Senior Mortgage shall not be deemed an "Event of Default" hereunder; provided, however, that Mortgagor and/or the Beneficiary shall promptly provide to Mortgagee written notice of the deposit of such amounts or documents with Senior Lender (together with copies of such documents). Notwithstanding any other provision herein to the contrary, the failure by Mortgagor and/or the Beneficiary to comply with any provision hereof (other than the payment of amounts or the provision of documents to Mortgagee) due to conflict between the provisions of the 216 Senior Mortgage and the provisions hereof shall not be deemed an "Event of Default" hereunder; provided, however, that Mortgagor shall promptly provide to Mortgagee written notice of such conflict and of the actions taken by Mortgagor and/or Beneficiary pursuant to the 216 Senior Mortgage.

SECTION 13. SECURITY AGREEMENT. The 216 Junior Mortgage shall be construed as a "security agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Mortgaged Property which constitutes fixtures or personal property. Mortgagee shall have all the rights with respect to such fixtures or personal property afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded Mortgagee by the 216 Junior Mortgage or any other agreement. Upon the recording hereof, the 216 Junior Mortgage shall constitute a financing statement under the Uniform Commercial Code. The 216 Junior Mortgage is a "construction mortgage" as that term is defined in Section 9-313(1)(c) of said Uniform Commercial Code.

SECTION 14. PROTECTIVE ADVANCES; MAXIMUM AMOUNT OF INDEBTEDNESS. All advances, disbursements and expenditures made by Mortgagee before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, for the following purposes, in addition to

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those otherwise authorized by the 216 Junior Mortgage or by the Act (collectively "Protective Advances"), shall have the benefit of all applicable provisions of the Act, including those provisions of the Act hereinbelow referred to:

(a) all advances by Mortgagee in accordance with the terms of the 216 Junior Mortgage to: (i) preserve or maintain, repair, restore or rebuild the improvements upon the Mortgaged Property; (ii) preserve the lien of the 216 Junior Mortgage or the priority thereof; or (iii) enforce the 216 Junior Mortgage, as referred to in Subsection (b) (5) of Section 5/15-1302 of the Act;

(b) payments by Mortgagee of: (i) when due, installments of principal, interest or other obligations in accordance with the terms of the Senior Mortgage, if any, or other prior lien or encumbrance; (ii) when due, installments of real estate taxes and assessments, general and special and all other taxes and assessments of any kind or nature whatsoever which are assessed or imposed upon the Mortgaged Property or any part thereof; (iii) other obligations authorized by the 216 Junior Mortgage; or (iv) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, as referred to in Section 5/15-1505 of the Act;

(c) advances by Mortgagee in settlement or compromise of any claims asserted by claimants under senior mortgages or any other prior liens;

(d) attorneys' fees and other costs incurred: (i) in connection with the foreclosure of the 216 Junior Mortgage as referred to in Sections 5/15-1504(d) (2) and 5/15-1510 of the Act; (ii) in connection with any action, suit or proceeding brought by or against Mortgagee for the enforcement of the 216 Junior Mortgage or arising from the interest of Mortgagee hereunder; or (iii) in the preparation for the commencement or defense of any such foreclosure or other action;

(e) Mortgagee's fees and costs, including attorneys' fees, arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Subsection (b) (1) of Section 5/15-1508 of the Act;

(f) advances of any amount required to make up a deficiency in deposits for installments of taxes and assessments and insurance premiums as may be authorized by the 216 Junior Mortgage;

(g) expenses deductible from proceeds of sale as referred to in Subsections (a) and (b) of Section 5/15-1512 of the Act;

(h) expenses incurred and expenditures made by Mortgagee

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for any one or more of the following: (i) if the Mortgaged Property or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the unit owner thereof; (ii) if any interest in the Mortgaged Property is a leasehold estate under a lease or sublease, rentals or other payments required to be made by the lessee under the terms of the lease or sublease; (iii) premiums for casualty and liability insurance paid by Mortgagee whether or not Mortgagee or a receiver is in possession, if reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation to maintaining of existing insurance in effect at the time any receiver or mortgagee takes possession of the Mortgaged Property imposed by Subsection (c) (1) of Section 5/15-1704 of the Act; (iv) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (v) payments required or deemed by Mortgagee to be for the benefit of the Mortgaged Property or required to be made by the owner of the Mortgaged Property under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the Mortgaged Property; (vi) shared or common expense assessments payable to any association or corporation in which the owner of the Mortgaged Property is a member in any way affecting the Mortgaged Property; (vii) if the loan secured hereby is a construction loan, costs incurred by Mortgagee for demolition, preparation for and completion of construction, as may be authorized by the applicable commitment or loan agreement; (viii) pursuant to any lease or other agreement for occupancy of the Mortgaged Property; and (ix) if the 216 Junior Mortgage is insured, payments of FHA or private mortgage insurance.

All Protective Advances shall be so much additional indebtedness secured by the 216 Junior Mortgage, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the rate of interest payable after default under the terms of the 216 Note.

The 216 Junior Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time the 216 Junior Mortgage is recorded pursuant to Subsection (b) (1) of Section 5/15-1302 of the Act.

All Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Act, apply to and be included in:

(1) the determination of the amount of indebtedness secured by the 216 Junior Mortgage at any time;

(2) the indebtedness found due and owing to Mortgagee in the judgment of foreclosure and any subsequent supplemental

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judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;

(3) if the right of redemption has not been waived by the 216 Junior Mortgage, computation of amount required to redeem, pursuant to Subsections (d) (2) and (e) of Section 5/15-1603 of the Act;

(4) the determination of amounts deductible from sale proceeds pursuant to Section 5/15-1512 of the Act;

(5) the application of income in the hands of any receiver or mortgagee in possession; and

(6) the computation of any deficiency judgment pursuant to Subsections (b) (2) and (e) of Sections 5/15-1508 and Section 5/15-1511 of the Act.

The maximum amount of indebtedness secured by the 216 Junior Mortgage shall be \$665,263.67 plus interest, plus any disbursements for the payment of taxes and insurance on the Mortgaged Property, plus interest thereon, and any other sums advanced in accordance with the terms hereof or any of the other Loan Documents to protect the security of the 216 Junior Mortgage or any of the other Loan Documents plus interest thereon; provided that the maximum amount described above shall not exceed \$1,331,927.24.

SECTION 15. CONSTRUCTION OF WORDS

All references in the 216 Junior Mortgage to the "Mortgage," "herein," "hereunder" and words of like import when used in the 216 Junior Mortgage, and all references herein to the "216 Junior Mortgage," shall mean such agreement and any amendments, supplements or modifications thereto, including this Amendment to Mortgage.

SECTION 16. COUNTERPARTS

This Amendment to Mortgage may be executed in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 17. REPRESENTATIONS AND WARRANTIES

The Mortgagor and the Beneficiary hereby represent and warrant to Mortgagee that, to the best knowledge of Mortgagee and Beneficiary after due inquiry and except for the matters set forth in Section 4.01(p) of the amendment to the 216 Redevelopment Agreement executed on the date hereof, all

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certifications, representations, warranties, statements, affidavits and other items heretofore furnished or made to Mortgagee by or on behalf of the Mortgagor and/or the Beneficiary in connection with the 216 Loan were true, accurate and complete as of the date furnished to Mortgagee, and continue to be true, accurate and complete as if furnished or made by or with respect to the Mortgagor and/or the Beneficiary as of the date hereto.

SECTION 18. EFFECT OF AMENDMENT

Except as amended hereby, the provisions of the 216 Junior Mortgage remain in full force and effect and are hereby ratified and confirmed. The parties hereto acknowledge and agree that this Amendment to Mortgage does not constitute a novation of the existing indebtedness evidenced by the Loan Documents, but is intended to be an amendment and modification of the 216 Junior Mortgage, with no effect on the priority thereof. The parties hereto hereby agree that the terms "Note" or "Redevelopment Agreement" as used in the 216 Junior Mortgage shall refer to such documents as amended, supplemented or modified on the date hereof or hereafter from time to time.

SECTION 19. INCONSISTENCIES

In the event of a conflict of inconsistency between the provisions of the 216 Junior Mortgage and the provisions of this Amendment to Mortgage, the provisions of this Amendment to Mortgage shall govern and control. The 216 Junior Mortgage and each of the Loan Documents are hereby amended to the extent necessary to make such documents consistent with this Amendment to Mortgage.

SECTION 20. NO DEFENSES

Mortgagor and the Beneficiary hereby acknowledge, warrant and confirm to Mortgagee that there exist no defenses, set-offs or counterclaims to its obligations under the 216 Junior Mortgage.

SECTION 21. LIMITATION OF LIABILITY

Mortgagor and the Beneficiary each expressly agrees that no member, official, employee or agent of Mortgagee shall be individually or personally liable to Mortgagor or the Beneficiary, or their successors or assigns, in the event of any default or breach by Mortgagee hereunder or under any agreement executed in connection therewith.

SECTION 22. INTERCREDITOR AGREEMENT

All of the City's rights and remedies set forth in the Loan

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Documents with respect to the Mortgaged Property are subordinated to the Senior Lender and the 216 Senior Financing Documents under the specific terms and conditions set forth in the Intercreditor Agreement; provided, that the Mortgagor hereby agrees and acknowledges that it has no rights to or arising from the Intercreditor Agreement, including rights as a third party beneficiary.

SECTION 23. TRUSTEE EXCULPATION

This Amendment to Mortgage is executed by the Trustee of the Trust, described above, not personally but solely as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee, and said Trustee hereby warrants that it possesses full power and authority to execute this instrument, and it is expressly understood and agreed that nothing herein shall be construed as creating any liability on the Trustee personally to perform any covenant either express or implied herein. No personal liability shall be asserted or enforceable against the Trustee by reason of any of the covenants, statements, representations or warranties contained in this instrument.

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IN WITNESS WHEREOF, Mortgagor, the Beneficiary and the Mortgagee have caused this Amendment to Mortgage to be signed to on the day and year first above written.

JEFFERSON PARTNERS LIMITED
PARTNERSHIP, an Illinois limited
partnership

By: THRUSH AND CO., INC., an
Illinois corporation, its sole
general partner

ATTEST:

By: _____

By:  _____

Its: _____

Its: President

AMERICAN NATIONAL BANK AND TRUST
COMPANY OF CHICAGO, not personally,
but as Trustee under Trust No.
48638

ATTEST:

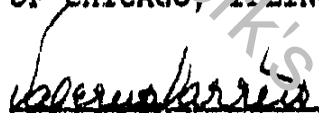
By:  _____

By:  _____

Its: Allen H. Tarkenton
ASSISTANT SECRETARY

Its: Second Vice President

CITY OF CHICAGO, ILLINOIS

By:  _____
Commissioner of the Department
of Planning and Development

This instrument prepared by
and when recorded return to:

Paul Davis
Assistant Corporation Counsel
City of Chicago
Office of Corporation Counsel
121 North LaSalle Street
Room 511
Chicago, Illinois 60602



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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

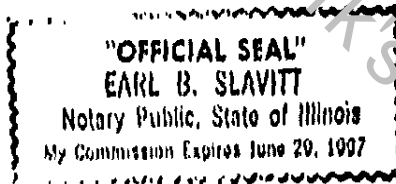
I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that George H. Thruswell, personally known to me to be the President of Thruswell and Co., Inc. (the "General Partner"), an Illinois corporation and sole general partner of Jefferson Partners Limited Partnership (the "Borrower"), an Illinois limited partnership, and _____, personally known to me to be the _____ of the General Partner and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such PRESIDENT and _____, they signed and delivered the said instrument and caused the corporate seal of the General Partner to be affixed thereto pursuant to authority given by the Board of Directors of the General Partner as their free and voluntary act, and as the free and voluntary act and deed of the General Partner and the Borrower for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 28th day of JUNE, 1995.

Earl B. Slavitt
Notary Public

(SEAL)

My Commission Expires:



95428-70

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Gregory S. Kasprzyk, personally known to me to be the SECOND VICE PRESIDENT of American National Bank and Trust Company of Chicago, not individually but solely as Trustee under Trust No. 48638 dated May 5, 1978 (the "Trustee"), and Anita M. Lutkus, personally known to me to be the ASSISTANT SECRETARY of the Trustee and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this 30th day of June, 1995, and severally acknowledged that as such SECOND VICE PRESIDENT and ASSISTANT SECRETARY, they signed pursuant to authority given by the Board of Directors of the Trustee as their free and voluntary act, and as the free and voluntary act and deed of the Trustee for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 30th day of June, 1995.



Ruth Anne Booker
Notary Public

My Commission Expires:

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EXHIBIT A

LEGAL DESCRIPTION

Legal Description of Premises:

Lots 9 and 10 and the South half of Lot 8 in Magie & Merrill's Subdivision of the East half of Block 27 in School Section's Addition to Chicago in the Northwest quarter of Section 16, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Address Commonly Known as: 216 South Jefferson
Chicago, Illinois

Permanent Index No.: 17-16-111-021

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CU Rent Roll

Exhibit C
216 South Jefferson

Page: 1

Property : JEFFERSON PARTNERS

Unit Reference Number	Name	Square Feet	Rent Per Square Foot	Lease Starting Date	Lease Exp. Date
601-1	GREAT LAKES TECHNOLOGIES	2851	10.94/yr 0.91/mth	10/22/86	10/31/97
601-7	VACANT	2450	0.00/yr 0.00/mth		
601-A	FEDERAL EXPRESS DROP BOX	0	0.00/yr 0.00/mth	12/01/90	11/30/95
601-004	TELEVOICE CHICAGO, LTD.	542	11.96/yr 1.00/mth	9/01/93	8/31/98
601-100	VACANT	1170	10.26/yr 0.85/mth		
601-101	AMERICAN COLOR LABS	6081	13.35/yr 1.11/mth	9/01/87	10/31/98
601-202	ECONOMY MECHANICAL INDUSTRIES	4775	12.15/yr 1.01/mth	9/01/94	9/30/99
601-203	VACANT	3694	0.00/yr 0.00/mth		
601-301	ANDERSON & FRANKLIN	1650	15.00/yr 1.25/mth	1/01/89	12/31/95
601-303	CLARK DIETZ, INC.	5829	14.51/yr 1.21/mth	1/15/90	3/31/99
601-304	EXIS, INC.	1100	12.00/yr 1.00/mth	1/01/94	12/31/98
601-400	SCHLESINGER ASSOCIATES	4797	17.74/yr 1.48/mth	12/01/86	4/30/97
601-401	STATE OF MINNESOTA	702	39.66/yr 3.31/mth	7/15/87	6/30/96
601-402	CONTINENTAL COURIERS, LTD	3027	12.37/yr 1.02/mth	9/01/94	8/31/96
601-502	GEORGE HYMAN CONSTRUCTION CO.	4742	15.84/yr 1.32/mth	9/01/92	10/31/95
601-503	ARTISAN PROFESSIONAL FREELANCE	2740	12.24/yr 1.02/mth	5/01/94	4/30/97
601-504	STATE OF MINNESOTA	1166	0.00/yr 0.00/mth	7/01/93	6/30/96
601-600	CHICAGO CONSULTING ACTIVITIES	4241	13.51/yr 1.13/mth	4/01/91	6/30/99
601-602	HEINZ/PASELL INC.	2499	16.12/yr 1.34/mth	2/01/93	1/31/98
601-604	BETA TECHNOLOGIES INC.	1702	15.50/yr 1.30/mth	7/01/92	11/30/97

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