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96571674

This Instrument was prepared by
and when recorded return to:

Michael F. Sexton
Rooks, Pitts and Poust
10 South Wacker Drive
Suite 2300
Chicago, Illinois 60606

. DEPT-01 RECORDING \$69.00
. T90014 TRAN 7745 07/25/96 13:53:00
. \$4175 + JW *-96-571674
. COOK COUNTY RECORDER

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BOX 260

ATGF, INC

6900

PURCHASE MONEY MORTGAGE AND SECURITY AGREEMENT

THIS PURCHASE MONEY MORTGAGE AND SECURITY AGREEMENT (this "Mortgage") is dated and effective as of 19 July 1996 by STANLEY W. BENECKI ("Mortgagor"), with MT FAMILY LIMITED PARTNERSHIP, an Arizona limited partnership, and MARGOT A. SHEESLEY, (Mortgagee) having their principal offices at c/o David R. Abell, Ltd., 560 Green Bay Road, Suite 402, Winnetka, Illinois 60093.

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W I T N E S S E T H:

A. Mortgagor and Mortgagee entered into a Real Estate Contract dated as of 14 June 1996 (the "Contract"), pursuant to which Mortgagor agreed to purchase from Mortgagee, and Mortgagee and to sell to Mortgagor, certain parcels of vacant land known as Lots 1 and 2 in the Sheesley Subdivision, Glencoe, Illinois. Said lot 1 is sometimes referred to herein as "Lot 1" and said lot 2 is sometimes referred to herein as "Lot 2."

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B. Pursuant to the Contract, (I) Mortgagor has executed and delivered a Purchase Money Note in the original principal sum of \$522,000.00 dated as of even date herewith and payable to the order of Mortgagee (the "Note") in payment of a portion of the purchase price for Lot 1. The principal sum of the Note bears interest at the rate and is payable at the time(s) and in the manner specified in the Note. The principal sum of the Note, together with interest thereon, if any, shall be due and payable on the earlier to occur of (i) the date Mortgagor sells and conveys Lot 1 or (ii) 19 July 1999.

C. Mortgagee requires that Mortgagor execute and deliver this Mortgage to secure the payment and performance of the obligations and duties of Mortgagor under the Note.

D. Under the terms of the Contract, (i) at such time as Mortgagee conveys Lot 2 to Mortgagor, Mortgagor shall execute and deliver a Purchase Money Note payable to the order of Mortgagee ("Note 2") in payment of a portion of the purchase price therefor and (ii) concurrent with the execution and delivery of Note 2, Mortgagor shall execute and deliver an amendment of this Mortgage to secure Note 2.

NOW, THEREFORE, to secure (i) the payment when and as due and payable of the principal sum of and interest on the Note and any extensions, renewals or modifications thereof, and substitutes therefor, (ii) the payment of all other indebtedness which this Mortgage secures pursuant to its terms and (iii) the performance and observance of the covenants and agreements contained in and the payment of all obligations and liabilities of Mortgagor under this Mortgage (all of such indebtedness, obligations, agreements and liabilities identified in the foregoing clauses (i), (ii) and (iii) being hereinafter referred to as the "Obligations"), Mortgagor does by these presents grant, transfer, bargain, set over, remise, release, assign, alien, pledge, sell, convey, warrant and mortgage unto Mortgagee, its successors and assigns forever, the real estate described in Exhibit A attached hereto and made a part hereof (the "Real Estate") and all of Mortgagor's estate, right, title, and interest therein situated in the County of Cook and State of Illinois;

TOGETHER WITH:

- (a) all estate, right, title, and interest of Mortgagor, if any, including any after-acquired title or

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reversion, in and to the beds of the ways, streets, avenues, vaults, roadways, strips and gores, and alleys adjoining or within the boundaries of the Real Estate;

- (b) all and singular the tenements, hereditaments, easements, licenses, minerals, appurtenances, passages, waters, water courses, riparian, irrigation and drainage rights, and other rights, liberties and privileges thereof or in any way now or hereafter appertaining, including homestead and any other claim at law or in equity as well as any after-acquired title, franchise, or license and the reversion and reversions and remainder and remainders thereof;
- (c) all property and rights, if any, which by the express provisions of this Mortgage are required to be subjected to the lien hereof and any additional property and rights that from time to time hereafter, by installation or writing of any kind, may be subjected to the lien hereof by Mortgagor or by anyone on Mortgagor's behalf;
- (d) all rights in and to common areas and access roads on adjacent land heretofore or hereafter granted to Mortgagor and any after-acquired title or reversion with respect thereto;
- (e) all of Mortgagor's interest and rights as lessor in and to all leases now or hereafter affecting the Real Estate and/or the Improvements or any part thereof, whether written or verbal, and all rents, issues, proceeds and profits accruing and to accrue from the Real Estate and/or the Improvements, whether payable pursuant to any present or future leases or otherwise arising out of any, letting of or any agreement for the sale, occupancy or use of the Real Estate and/or the Improvements or any portion thereof which may have been heretofore or hereafter made or agreed to by Mortgagor, together with any and all deposits and profits now due and/or which may become due thereunder by virtue thereof and any guaranties executed in connection therewith (which are pledged primarily and on a parity with the Real Estate, and not secondarily);

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- (f) all buildings and improvements of every kind and description now or hereafter erected or placed thereon and all materials intended for construction, reconstruction, alteration, and repairs of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the Real Estate immediately upon the delivery thereof to the Real Estate, and all fixtures and personal property now or hereafter owned by Mortgagor and attached to or contained in and used in connection with the Real Estate; and all additions thereto and renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to said building or buildings in any manner (the property described in this clause (f) is referred to as the "Improvements");
- (g) all proceeds or sums payable in lieu of or as compensation for the loss of or damage to the Real Estate and Improvements, all rights in and to all present and future fire and other insurance policies pertaining to the Real Estate and Improvements, any and all sums at any time on deposit for the benefit of Mortgagee or the Mortgagor or held by Mortgagee (whether deposited by or on behalf of Mortgagor or anyone else) pursuant to any of the provisions of this Mortgage and all awards, compensation, damages and/or proceeds paid or to be paid in connection with, or in lieu of, any condemnation, eminent domain, change of grade or similar proceeding for the taking or for the degradation in the value of all or any part of the Real Estate and Improvements; and
- (h) all contracts, documents, agreements, contract rights and general intangibles relating to design, development, operation, construction upon, management, leasing, sale and use of the Real Estate and Improvements, including (i) all names under which or by which the Real Estate and/or Improvements may at any time be owned and operated, or any variation thereof, and all goodwill in any way relating to the Real Estate and Improvements and all service marks and logo types used in connection therewith, (ii) all permits, licenses, authorizations, variances, land use entitlements, approvals, consents, clearances and rights obtained from governmental agencies or other

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governmental authorities issued or obtained in connection with the Real Estate and/or Improvements, (iii) all permits, licenses, approvals, consents, authorizations, franchises and agreements issued or obtained in connection with the development, construction upon, use, occupation, leasing, sale or operation of the Real Estate and/or Improvements, (iv) all materials prepared for filing or filed with any governmental agency or other governmental authority, (v) all plans, specifications, drawings, maps, surveys, studies, architectural, engineering and construction contracts, management and leasing contracts and other agreements and documents, of whatever kind or character, relating to the use, construction upon, occupation, leasing, sale or operation of the Real Estate and/or the Improvements, whether now existing or hereafter entered into, and in, to and under any amendments, supplements, modifications and additions thereto, extensions and renewals thereof and substitutions therefor and (vi) the books and records of Mortgagor relating to design, development, construction, operation or management of the Real Estate and/or Improvements, but excluding from the foregoing any plans, specifications or drawings which are the property of any architect;

it being mutually agreed, intended and declared that all the aforesaid property shall, so far as permitted by applicable laws, statutes, ordinances, orders, decrees, rules or regulations (collectively, "Laws"), be deemed to form a part and parcel of the Real Estate and for the purpose of this Mortgage to be real estate, and covered by this Mortgage, and as to any of the property aforesaid which does not so form a part and parcel of the Real Estate, this Mortgage is hereby deemed to be, and is, as well, a Security Agreement under the Uniform Commercial Code as enacted in the State of Illinois (the "Uniform Commercial Code") for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to Mortgagee as Secured Party (as such term is defined in the Uniform Commercial Code); the Real Estate and Improvements and all of the other property described in granting clauses (a) through (h) above are collectively referred to as the "Premises";

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TO HAVE AND TO HOLD the same unto Mortgagee and its successors and assigns forever, for the purposes and uses herein set forth;

PROVIDED, HOWEVER, that if Mortgagor shall pay the principal sum of and all interest on the Note, and shall pay all other sums provided for herein except for payment of Note 2, and shall well and truly keep and perform all of the covenants contained in this Mortgage, this Mortgage shall be released at the sole cost of Mortgagor, otherwise to remain in full force and effect.

MORTGAGOR HEREBY AGREES WITH MORTGAGEE AS FOLLOWS:

1. Payment. Mortgagor is pledging the Premises to secure the prompt payment, when and as due and payable, of the Obligations.

2. Taxes and Other Charges. Mortgagor shall pay, when first due and owing, all general taxes, special taxes, special assessments, water charges, sewer service charges, association charges, and all other charges of whatever kind, ordinary or extraordinary, whether public or private, which may be levied or imposed against the Premises, and shall furnish to Mortgagee official receipts therefor within 30 days after payment thereof. Mortgagor shall also pay when due all charges incurred for the benefit of the Premises for utilities, including energy, fuel, gas, electricity, water, sewer, and garbage removal, whether or not such charges are liens against the Premises.

3. Insurance. (a) Mortgagor shall keep the Improvements now existing or hereafter erected on the Premises, all property (whether real, personal or mixed) incorporated therein and all materials and supplies delivered to the Premises for use in connection with the construction of any Improvements, together with all equipment used for that purpose, constantly insured against loss or damage under such types and forms of insurance policies and in such amounts and for such periods as Mortgagee may from time to time reasonably require, and Mortgagor shall pay promptly, when due, any premiums on such insurance. Unless Mortgagee otherwise agrees, all such insurance shall be carried with companies holding a current Policyholder's Alphabetic and Financial Size Category Rating according to A.M. Best's Insurance Reports which is reasonably acceptable to Mortgagee, and shall have attached thereto standard noncontributing mortgage clauses in favor of Mortgagee, as well as standard

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waiver of subrogation endorsements. The Improvements and all such property, materials, supplies and equipment shall be insured to an amount equal to 100% of the full insurable value thereof (but in no event less than actual replacement value without deduction for depreciation) at all times against loss or damage by fire, lightning, wind storm, explosion, riot and civil commotion, vandalism and malicious mischief, theft and such other risks as are usually included under what is now known as broad form extended coverage. Mortgagor shall not carry separate insurance, concurrent in kind or form and contributing in the event of loss, with any insurance required hereunder. In the event of a change of ownership or of occupancy of the Premises (without implying or creating any waiver of the right of approval thereof by Mortgagee), immediate notice thereof by mail shall be delivered to all insurers. In the event of any loss covered by such insurance, Mortgagor shall immediately notify Mortgagee in writing, and Mortgagor hereby authorizes and directs each and every insurance company concerned to make payments for such loss directly and solely to Mortgagee (which may, but need not, make proof of loss) and Mortgagee is hereby authorized to adjust, collect, and compromise in its discretion all claims under all policies, and Mortgagor shall sign, upon demand by Mortgagee, all receipts, vouchers, and releases required by such insurance companies. After deducting any costs of collection, Mortgagee may use or apply the proceeds, at its sole option, (i) as a credit upon any portion of the Obligations, or (ii) to repairing and restoring the Improvements, in which event Mortgagee shall not be obliged to see to the proper application thereof nor shall the amount so released or used for restoration be deemed a payment on the Obligations, or (iii) to deliver same to Mortgagor. Notwithstanding the provisions of the immediately preceding sentence, in the event of loss or damage to the Premises, provided and only so long as no event of default has occurred hereunder and no event has occurred or condition exists which, after the giving of notice or passage of time, or both, could give rise to an event of default hereunder, and provided further, that the proceeds of such insurance are sufficient, in Mortgagee's judgment, after first deducting and paying the reasonable expenses, if any, incurred by Mortgagee in the collection of such proceeds, to fully restore, repair and replace the damaged portions of the Premises and to otherwise pay all costs and expenses relating thereto (or if such proceeds are insufficient as hereinbefore provided, Mortgagor shall deposit the entire amount of such deficiency with Mortgagee or make other arrangements satisfactory to Mortgagee to pay such

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deficiency) and that the insurance company shall not claim that, notwithstanding such payment to Mortgagee, such insurance company has no liability to pay any or some portion of such proceeds to Mortgagor, the balance of the proceeds will be held and disbursed by Mortgagee for the purposes of the repair, restoration, building or rebuilding of the Premises as hereinafter provided. In the event such proceeds are applied to restoring the Improvements, such proceeds shall be made available, from time to time, upon Mortgagee being furnished with satisfactory evidence of the estimated cost of such restoration and with such architect's certificates, waivers of lien, contractors' sworn statements and other evidence of cost and of payments as Mortgagee may reasonably require and approve, and if the estimated cost of the work exceeds 10% of the original principal amount of the Obligations, Mortgagor shall furnish Mortgagee with all plans and specifications for such rebuilding or restoration as Mortgagee may require and approve. No payment made prior to the final completion of such work shall exceed 90% of the value of the work performed from time to time, and at all times the undisbursed balance of said proceeds remaining in the hands of Mortgagee shall be at least sufficient to pay for the cost of completion of such work, free and clear of any liens. No interest shall be allowed to Mortgagor on any proceeds of insurance paid to and held by Mortgagee. In the event of foreclosure of this Mortgage, or other transfer of title to the Premises in extinguishment of the Obligations, all right, title, and interest of Mortgagor, in and to any insurance policies then in force, and any claims or proceeds thereunder shall pass to Mortgagee or any purchaser or grantee. In the event Mortgagee, in its sole discretion, determines that any insurance provided by Mortgagor does not comply with the insurance requirements set forth herein, Mortgagee may, at any time and at its sole discretion, procure and substitute for any of the insurance so held as aforesaid, such other policy or policies of insurance, in such amount and carried by such company as it may determine, the cost of which shall be repaid to Mortgagee by Mortgagor upon demand. Mortgagor shall furnish to Mortgagee, upon its request, and without cost to Mortgagee, estimates or appraisals of insurable value, such as are regularly and ordinarily made by insurance companies to determine the then replacement cost of the Improvements and all other property, materials, supplies and equipment described in the first sentence of this paragraph 3(a).

(b) Mortgagor shall carry and maintain in full force at all times comprehensive public liability insurance as may be

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required from time to time by Mortgagee in forms, amounts, and with companies satisfactory to Mortgagee, and Mortgagor will apply all insurance proceeds under such policies to the payment and discharge of the liabilities in respect of which such proceeds are collected. The amounts of coverage shall not be less than \$2,000,000 combined single limit and the policy or policies shall name Mortgagee as an additional insured party thereunder.

(c) INTENTIONALLY OMITTED.

(d) Unless Mortgagee otherwise agrees, true, correct and complete copies of all policies of insurance required hereunder to be maintained by the Mortgagor, together with evidence that the premium therefor covering a period of not less than one year has been prepaid, shall be deposited with Mortgagee and shall provide for, among other things, payment of losses notwithstanding any acts or omissions of Mortgagor and giving written notice to Mortgagee of their expiration or cancellation at least 30 days prior to such event occurring. Not less than 30 days prior to the expiration of any such policy, Mortgagor shall deposit an appropriate renewal or replacement policy and evidence of the premium payment therefor, as aforesaid. The policy of insurance required under paragraph 3(a) shall contain a lender's loss payable endorsement in favor of Mortgagee.

4. Preservation, Restoration and Use of Premises. Mortgagor shall complete, within a reasonable time, any Improvements now or any time hereafter in the process of being constructed upon the Real Estate. No Improvement shall (except as required by any applicable Law) be altered, removed, or demolished nor shall any fixtures, appliances or other personal property subject to the lien hereof, on, in or about the Improvements be severed, removed, sold or mortgaged, without the prior written consent of Mortgagee, and in the event of the demolition or destruction in whole or in part of any of the fixtures, chattels, or articles of personal property covered hereby or by any separate security agreement given in conjunction herewith, the same shall be replaced promptly by similar fixtures, chattels, and articles of personal property at least equal in quality and condition to those replaced, free from any security interest in or encumbrances thereon or reservation of title thereto. Mortgagor shall promptly repair, restore, or rebuild any Improvements now or hereafter on the Premises which may become damaged or be destroyed; provided,

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however, that if Mortgagee has elected to apply insurance loss proceeds toward payment of the Obligations as provided for herein, the provisions of this sentence shall not apply. The Improvements shall be so restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction. Mortgagor shall not permit, commit, or suffer any waste, impairment, or deterioration of the Premises or any part or improvement thereof, and shall keep and maintain the Premises and every part thereof in good repair and condition and effect such repairs as Mortgagee may require, and, from time to time, make all needful and proper replacements and additions thereto so that the Improvements will, at all times, be in good condition, fit and proper for the respective purposes for which they were originally erected or installed. Mortgagor shall not suffer or permit the Premises to be abandoned or to be used for a purpose other than that for which the Premises are presently used or for development and use for residential purposes, or represented to Mortgagee to be used. Mortgagor shall not subject the Premises to any use covenants or restrictions and shall not initiate, join in or consent to any change in any existing private restrictive covenant, zoning ordinance, or other public or private restriction limiting or defining the uses which may be made of or the kind of improvements which can be constructed or placed on the Premises or any part thereof, and shall promptly notify Mortgagee of, and appear in and defend, at its sole cost and expense, any such proceedings seeking to effect any of the foregoing. Mortgagor shall not subdivide the Real Estate and shall not subject the Premises to the provisions of the condominium laws of the state in which the Premises are situated.

5. Compliance with Governmental, Insurance and Other Requirements. Mortgagor shall comply with all applicable Laws relating to the Premises or the use thereof and shall observe and comply with all conditions and requirements necessary to maintain in force the insurance required under paragraph 3 hereof and to preserve and extend any rights, consents, licenses, permits, privileges, franchises and concessions (including rights, consents, licenses, permits, privileges, franchises and concessions relating to land use development, landmark preservation, construction, access, water rights, noise, pollution, zoning variances, special exceptions and nonconforming uses) which are applicable to the Premises or which have been granted to or contracted for by Mortgagor in connection with any existing or presently contemplated use of the Premises. In the event that any Improvements must be

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altered or removed to enable Mortgagor to comply with the foregoing provisions of this paragraph 5, Mortgagor shall, except in case of emergency, not commence any such alterations or removals without Mortgagee's prior approval of the need therefor and the plans and specifications pertaining thereto. After such approval, Mortgagor, at its sole cost and expense, shall immediately effect the alterations or removal so required and approved by Mortgagee. Mortgagor shall not by act or omission permit any building or other improvement on land not subject to the lien of this Mortgage to encroach onto or otherwise rely upon the Premises or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Premises or any interest therein to be so used. No Improvement shall encroach onto or otherwise rely upon any land not subject to the lien of this Mortgage or any interest therein to fulfill any governmental or municipal requirement. Mortgagor shall not by act or omission impair the integrity of the Premises as a single zoning lot separate and apart from all other land. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this paragraph 5 shall be void. Mortgagor shall duly and punctually perform and comply with all covenants and conditions expressed as binding upon it under any recorded document or any other agreement of any nature whatsoever binding upon it which pertains to the Premises.

6. Liens, Encumbrances and Transfers of Ownership. Except for Construction Mortgages (as defined in the Contract), Mortgagor shall keep the Premises free from liens of mechanics and materialmen and from all other liens, charges, and encumbrances of whatever nature regardless of (i) whether the same arise voluntarily or involuntarily on the part of Mortgagor and (ii) whether the same are subordinate to, prior to, or on a parity with the lien of this Mortgage, and shall furnish to Mortgagee satisfactory evidence of the payment and discharge of any such liens, charges, and encumbrances, asserted or claimed to exist against the Premises, except for any lien or encumbrance expressly consented to by Mortgagee, with respect to which Mortgagor shall pay, when due, the obligations relating thereto and upon Mortgagee's request, furnish to Mortgagee satisfactory evidence of such payment or payments. Except for Construction Mortgages and/or a sale of a Lot for a purchase price not less than minimum amount therefor specified in the Contract, Mortgagor shall not, without the prior written consent of Mortgagee, sell, transfer, convey, lease or sublease, alien,

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pledge, hypothecate, mortgage, encumber, or assign the title or any interest (beneficial or otherwise) therein to all or any portion of the Premises, or the rents, issues, or profits therefor, whether by operation of law, voluntarily, or otherwise, and shall not contract to do any of the foregoing.

7. Eminent Domain. Mortgagor shall give Mortgagee immediate notice of any action or proceeding for the taking through condemnation of the Premises or any part thereof, including severance and consequential damage and change in grade of streets, and shall deliver to Mortgagee copies of any papers served in connection with any such action or proceeding. Mortgagee is hereby authorized, at its option, to commence, appear in and prosecute, through counsel selected by Mortgagee, in its own or in Mortgagor's name, any such action or proceeding. All compensation, awards, damages, claims, rights of action and proceeds and the right thereto (collectively "Awards") are hereby assigned by Mortgagor to Mortgagee and Mortgagee is hereby authorized to collect and receive from any governmental authority any Awards heretofore or hereafter made or to be made to the present and all subsequent owners of the Premises by any such governmental authority for the taking, by condemnation or eminent domain, hereby assigned from Mortgagor to Mortgagee, as aforesaid, and Mortgagee is hereby authorized to give appropriate receipts and acquittances therefor. Mortgagor shall make, execute and deliver to Mortgagee at any time or times upon request, free, clear, and discharged of any encumbrances of any kind whatsoever, any further assignments and instruments deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning to Mortgagee all Awards heretofore and hereafter to be made to Mortgagor for any taking, either permanent or temporary, under any such proceeding. The proceeds of all Awards shall be paid to Mortgagee and may be applied by Mortgagee, at its option, after the payment of all of its expenses in connection with such proceedings, including costs and reasonable attorneys' fees, to the reduction of the Obligations or to restoring the Improvements (in which event the same shall be paid out in the same manner as is provided, with respect to insurance proceeds, in paragraph 3(a) hereof), all without affecting the security interest created by this Mortgage; provided, however, that notwithstanding the foregoing, if and only so long as no event of default has occurred hereunder and no event has occurred or conditions exists which, after the giving of notice or passage of time, or both, could give rise to an event of default hereunder, and provided

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further, that the proceeds of such award are sufficient, in Mortgagee's judgment, after first deducting and paying the reasonable expenses, if any, incurred by Mortgagee in the collection of such proceeds, to fully restore, repair and replace the damaged or taken portions of the Premises and to otherwise pay all costs and expenses relating thereto (or if such proceeds are insufficient as hereinabove provided, Mortgagor shall deposit the entire amount of such deficiency with Mortgagee or make other arrangements satisfactory to Mortgagee to pay such deficiency), the balance of the proceeds shall be held and applied to the restoration of the Improvements. Mortgagor shall execute such further assignments of any Awards as Mortgagee may require.

8. Subordination. Subject to the terms and conditions set forth in the Contract, Mortgagee has agreed to subordinate the lien of this Mortgage to a Construction Mortgage, which subordination shall be evidenced by a subordination agreement in form and content reasonably satisfactory to Mortgagee, which shall be recorded in the Office of the Recorder of Cook County, Illinois. At such time as Mortgagee shall execute and deliver such a subordination agreement in respect of a Construction Mortgage, all of Mortgagee's rights and remedies hereunder shall be subject to the rights of the holder of such Construction Mortgage to the extent and in the manner set forth in such subordination agreement.

9. Inspection of Premises. Mortgagor shall permit Mortgagee and its agents to inspect the Premises at all times and access thereto shall be permitted for such purpose.

10. Future Advances. All future advances made by Mortgagee at any time before full payment of the Obligations, including obligatory advances and advances made at the option of Mortgagee, shall, together with interest thereon, be on a parity with, and not subordinate to, the Obligations, although there may be no advance made at the time of execution of this Mortgage and although there may be no Obligations outstanding at the time any advance is made. All such future advances shall be secured hereby in accordance with all covenants and agreements herein contained; provided, that the amount of principal secured hereby and remaining unpaid shall not, including the amount of such advances, exceed the sum of \$5,000,000; and provided, further that if Mortgagee shall make future advances as aforesaid, Mortgagor shall repay all such advances in accordance with the note or notes, or agreement and

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agreements, evidencing the same, which shall be payable no later than the maturity of this Mortgage and shall include such other terms as Mortgagee shall require.

11. Partial Invalidity. Mortgagor and Mortgagee intend and believe that each provision in this Mortgage comports with all applicable Laws. However, if any provision or provisions, or if any portion of any provision or provisions, in this Mortgage is found by a court of competent jurisdiction to be in violation of any applicable Laws, and if such court should declare such portion, provision or provisions of this Mortgage to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent both of Mortgagor and Mortgagee that such portion, provision or provisions shall be given force to the fullest possible extent that it or they are legal, valid and enforceable, that the remainder of this Mortgage shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained herein, or therein, as the case may be, and that the rights, obligations and interest of Mortgagor and Mortgagee under the remainder of this Mortgage shall continue in full force and effect. If under the circumstances, interest in excess of the limit allowable by applicable Law shall have been paid by Mortgagor in connection with the Obligations, such excess shall be applied by Mortgagee to the unpaid principal balance of the Obligations in such manner as Mortgagee may in its sole discretion determine, or refunded to Mortgagor in the manner to be determined by Mortgagee and if any such excess interest has accrued, Mortgagee shall eliminate such excess interest so that under no circumstances shall interest on the Obligations exceed the maximum rate allowed by applicable Law.

12. Subrogation. In the event the proceeds of the Obligations, or any part thereof, or any other amount paid out or advanced by Mortgagee shall be used directly or indirectly to pay off, discharge, or satisfy, in whole or in part, any prior lien or encumbrance upon the Premises or any part thereof, including any Construction Mortgage, Mortgagee shall be subrogated to such other lien or encumbrance and to any additional security held by the holder thereof and shall have the benefit of the priority of all of same.

13. Mortgagee's Right to Deal with Transferee. In the event of the voluntary sale, or transfer by operation of law, or otherwise, of all or any part of the Premises, Mortgagee is hereby authorized and empowered to deal with such vendee or

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transferee with reference to the Premises, or the Obligations, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might with Mortgagor, without in any way releasing, or discharging Mortgagor from Mortgagor's covenants and undertakings hereunder, specifically including paragraph 6 hereof, and without Mortgagee waiving its rights to accelerate the Obligations in the event of a breach of paragraph 6 hereof.

14. Certain Acts of Mortgagee. Mortgagee, at its sole option, without notice and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior liens, (i) may release any part of the Premises or any person liable for any Obligations, without in any way affecting the liability under this Mortgage or the Note, and without in any way affecting the priority of the lien of this Mortgage, (ii) may agree with any person obligated on the Obligations to extend the time for payment of any part or all of the Obligations, (iii) may accept a renewal note or notes therefor, (iv) may take or release other or additional security for the Obligations, (v) may consent to any plat, map or plan of the Premises, (vi) may consent to the granting of any easement, (vii) may join in any extension or subordination agreement, (viii) may agree in writing with Mortgagor to modify the rate of interest, or (ix) may waive or fail to exercise any right, power or remedy granted by law, this Mortgage or the Note. Any such agreement shall not, in any way, release or impair the lien created by this Mortgage, or reduce or modify the liability, if any, of any person personally obligated for the Obligations, but shall, as applicable, extend the lien hereof as against the title of all persons having any interest in the Premises which interest is subject to this Mortgage.

15. Expenses Incurred by Mortgagee. Any costs, damages, expenses or fees, including attorneys' fees, incurred by Mortgagee in connection with (i) sustaining the lien of this Mortgage or its priority, (ii) obtaining any abstract, title opinion, title report, title searches, commitment for title insurance or title insurance policy, (iii) protecting the Premises, (iv) protecting or enforcing any of Mortgagee's rights hereunder, (v) recovering any Obligations, (vi) any litigation or other legal proceedings (including bankruptcy, probate and administrative law proceedings) affecting this Mortgage or the Premises, or (vii) preparing for the commencement, defense or participation in any threatened litigation or proceedings as aforesaid, or as otherwise enumerated in paragraph 16 hereof,

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shall be so much additional Obligations and shall be immediately due and payable by Mortgagor, without notice, with interest thereon at the default interest rate specified in the Note.

16. Default and Remedies. (a) It shall constitute an event of default under this Mortgage when and if (i) any "Event of Default" occurs under the Note, (ii) any default occurs in the due and punctual performance of or compliance with any term, covenant or condition in this Mortgage and said default continues for a period of 15 days after Mortgagee gives written notice thereof to Mortgagor; provided, however, that if said default cannot be cured within said 15 day period, Mortgagor has commenced to effect a cure within such 15 day period and Mortgagor diligently pursues such cure, Mortgagor shall have so much additional time as may be reasonably necessary to cure said default, but in no event more than 90 days from the date of said notice or (iii) any of the representations or warranties of Mortgagor made herein shall prove to be false in any material respect when made.

(b) In addition to any other remedy herein specified, if any event of default under this Mortgage shall occur, Mortgagee may, at its option, (i) declare the entire Obligations to be immediately due and payable, without notice or demand (each of which is hereby expressly waived by Mortgagor) whereupon the same shall become immediately due and payable, (ii) institute proceedings for the complete foreclosure of this Mortgage, (iii) INTENTIONALLY OMITTED, (iv) take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in this Mortgage or the Note, or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as Mortgagee shall elect, (v) with respect to any part of the Premises constituting property of the type in respect of which a security interest granted thereon is governed by the Uniform Commercial Code, exercise all rights, options and remedies of secured parties under the Uniform Commercial Code, including the right to possession of any such property or any part thereof, and the right to enter, without legal process, any premises where any such property may be found, it being agreed and understood by Mortgagor that any requirement of the Uniform Commercial Code for reasonable notification shall be sent by mailing written notice to Mortgagor at its address set forth below at least ten days prior to sale or other event for which such notice is

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required, or (vi) enforce this Mortgage in any other manner permitted under the laws of the State of Illinois.

(c) In any suit to foreclose the lien of this Mortgage or enforce any other remedy of Mortgagee under this Mortgage or the Note there shall be allowed and included, as additional Obligations in the judgment or decree, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, survey costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all abstracts of title, title commitments, title reports, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as Mortgagee may deem necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or value of the Premises.

(d) In any case in which, under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings whether or not the entire principal of the Obligations is declared to be immediately due as aforesaid, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, forthwith, upon application by Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of the Premises, or any part thereof, personally or by its agent or attorneys, as for condition broken and to the fullest extent permitted by any applicable Laws, Mortgagee in its discretion may enter upon and take and maintain possession of all or any part of the Premises, together with all documents, books, records, papers, and accounts of Mortgagor or the then manager of the Premises relating thereto, and may exclude Mortgagor, its agents, or servants, wholly therefrom and may, as attorney-in-fact or agent of Mortgagor, or in its own name as Mortgagee and under the powers herein granted: (i) hold, operate, manage, and control the Premises and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues and profits of the Premises including actions for recovery of rent, actions in forcible detainer and actions in distress for rent, hereby

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granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any times hereafter, without notice to Mortgagor, (ii) make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements to the Premises as to Mortgagee may seem judicious, (iii) insure and reinsure the Premises and all risks incidental to Mortgagee's possession, operation, and management thereof, and (iv) receive all avails, rents, issues and profits; hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter without notice to Mortgagor.

(e) Upon or at any time after the filing of any action to foreclose this Mortgage, Mortgagor consents, upon application by Mortgagee, to the appointment of a receiver of the Premises. Such appointment may be made either before or after sale without notice and without regard to the solvency or insolvency, at the time of application for such receiver, of the person or persons, if any, liable for the payment of the Obligations and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not, and without bond being required of the applicant. Such receiver shall have the power to take possession, control, and care of the Premises and to collect the rents, issues, and profits of the Premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption (provided that the period of redemption has not been waived by Mortgagor), as well as during any further times when Mortgagor, its heirs, administrators, executors, successors, or assigns, except for the intervention of such receiver, would be entitled to collect such rents, issues, and profits, and all other powers which may be necessary or are useful in such cases for the protection, possession, control, management, and operation of the Premises, during the whole of said period. To the extent permitted by applicable Law, said receiver may be authorized by the court to extend or modify any then existing leases to make new leases, which extensions, modifications, and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Obligations, it being understood and agreed that any such leases and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the

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Obligations, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser.

(f) All or any portion of the Premises or any interest or estate therein sold pursuant to any court order or decree obtained pursuant to 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 the laws of the state in which the Premises are situated. At any such sale, Mortgagee may bid for and acquire, as purchaser, the Premises or any part thereof, and in lieu of paying cash therefor, may make settlement for the purchase price by crediting upon the indebtedness due the amount of Mortgagee's bid.

(g) The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: (i) an account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in paragraph 15© hereof, (ii) all other items which, under the terms hereof, constitute Obligations additional to that evidenced by the Note, with interest thereon, at the default interest rate specified in the Note, (iii) all principal and interest remaining unpaid on the Note in such order as Mortgagee may, in its sole discretion, determine and (iv) any overplus to such person or persons as shall be legally entitled thereto.

(h) At any foreclosure proceeding, if the Premises shall be sold for a sum less than the total amount of the indebtedness for which judgment is therein given, the judgment creditor shall be entitled to the entry of a deficiency decree against Mortgagor and against the property of Mortgagor for the amount of such deficiency and Mortgagor does hereby irrevocably consent to the appointment of a receiver for the Premises and the property of Mortgagor and of the avails, rents, issues and profits thereof after such sale until such deficiency decree is satisfied in full.

(i) No action for the enforcement of the lien of this Mortgage shall be subject to any defense which would not be good and available to the party interposing the same in an action of law upon the Note.

(j) Acceptance by Mortgagee of any payment which is less than payment in full of all amounts due and payable at the time

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of such payment shall not constitute a waiver of Mortgagee's right to exercise its option to declare the whole of the principal of the Obligations then remaining unpaid, together with all accrued interest thereon, immediately due and payable without notice, or any other rights of Mortgagee at that time or any subsequent time, nor nullify any prior exercise of such option or such rights of Mortgagee without its express consent except and to the extent otherwise provided by law.

(k) No delay in the exercise of or failure to exercise any remedy or right accruing on the occurrence of any event of default hereunder shall impair any such remedy or right or be construed to be a waiver of any such default or acquiescence therein, nor shall it affect any subsequent default of the same or of a different nature.

(l) 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, whereupon, in either of such events, Mortgagor and Mortgagee shall be restored to their former positions, and the rights, remedies and power of Mortgagee shall continue as if such acceleration had not been made or such proceedings had not been commenced, as the case may be.

(m) The rights and remedies of Mortgagee as provided in this Mortgage and the Note shall be cumulative and concurrent and may be pursued separately, successively or together against Mortgagor, any guarantor or the Premises, or any one or more of them, at the sole discretion of Mortgagee, and may be exercised as often as occasion therefor shall arise, all to the maximum extent permitted by the Laws of the state in which the Premises are situated. If Mortgagee elects to proceed under one right or remedy under this Mortgage, or the Note, Mortgagee may at any time cease proceeding under such right or remedy and proceed under any other right or remedy under this Mortgage or the Note.

17. Mortgagee's Performance of Defaulted Acts. If an event of default hereunder shall occur, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient by Mortgagee. Mortgagee is hereby authorized to make or advance, in the place and stead of Mortgagor, any payment relating to taxes, assessments, water rates, sewer rentals, and other governmental charges, fines, impositions, or liens asserted against the

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Premises and may do so according to any bill, statement, or estimate procured from the appropriate governmental authority without inquiry into the accuracy of the bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien, or title or claim thereof, and Mortgagor is further authorized to make or advance in the place and stead of Mortgagor any payment relating to any apparent or threatened adverse title, lien, statement of lien, encumbrance, claim, or charge, or payment otherwise relating to any other purpose herein and hereby authorized, but not enumerated in this paragraph 17, and may do so whenever, in Mortgagee's sole judgment and discretion, such advance or advances shall seem necessary or desirable to protect the full security intended to be created by this Mortgage, and in connection with any such advance, Mortgagee, at its option, may and is hereby authorized to obtain a continuation abstract or report of title or commitment for title insurance or title insurance policy prepared by an abstractor or title insurance company of Mortgagee's choosing. All monies paid or incurred in connection therewith, including attorney's fees, and any other monies advanced by Mortgagee to protect the Premises and the lien hereof, shall be so much additional Obligations, and shall become immediately due and payable by Mortgagor to Mortgagee without notice and with interest thereon at the default interest rate specified in the Note. 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.

18. Giving of Notice. All notices which any party may be required or may desire to give in connection with this Mortgage shall be in writing, and shall be personally delivered, sent by overnight express delivery by a nationally recognized delivery service, freight prepaid, or sent by United States Registered or Certified Mail, postage prepaid, addressed as follows:

If to Mortgagor at: Stanley W. Benecki
5321 West Pensacola
Chicago, Illinois 60641

If to Mortgagee at: c/o David R. Abell Ltd.
560 Green Bay Road
Suite 407
Winnetka, Illinois 60093

Notices, demands and requests which shall be served in the manner aforesaid shall be deemed to be sufficiently delivered

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or given for all purposes hereunder (i) in the case of personal delivery upon such delivery, (ii) in the case of overnight express delivery, one business day after delivery to such delivery service and (iii) in the case of mailing by Registered or Certified Mail, two business days after such notice, demand or request shall be mailed. By notice complying with the foregoing provisions of this paragraph 18, either party may from time to time change its address for notice purposes, except that any such notice shall not be deemed delivered until actually received. Except as otherwise specifically required, notice of the exercise of any option, right or remedy granted to Mortgagee herein or in the Note is not required to be given.

19. Time is of the Essence. It is specifically agreed that time is of the essence of this Mortgage. The waiver of any of the options, rights or remedies of Mortgagee shall not at any time thereafter be held to be abandonment of such rights.

20. Modifications. This Mortgage may not be changed, waived, discharged or terminated orally, but only by an instrument or instruments in writing, signed by the party against which enforcement of the change, waiver, discharge or termination is asserted.

21. Covenants to Run with the Real Estate. All the covenants of Mortgagor hereof shall run with and touch and concern the Real Estate.

22. Captions. The captions and headings of various paragraphs are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

23. Construction. This Mortgage shall be governed by and construed and enforced according to the laws of the State of Illinois.

24. Binding on Successors and Assigns; Certain Definitions. This Mortgage and all provisions and covenants of Mortgagor hereof shall extend to and be binding upon Mortgagor's successors and assigns and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include and refer to, in addition to Mortgagor named herein, (i) all such persons liable for the payment of the Obligations or any part thereof, whether or not such persons shall have executed the Note or this Mortgage, (ii) Mortgagor's successors

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and assigns and (iii) all owners from time to time of the Premises. The word "Mortgagee" when used herein shall include the successors and assigns of Mortgagee named herein, and the holder or holders, from time to time, of the Note. The following words and phrases shall be construed as follows: (x) "any" shall be construed as "any and all"; (y) "include" and "including" shall be construed as "including but not limited to"; and (z) "will" and "shall" shall each be construed as mandatory. The words "hereby", "hereof", "hereto", "herein" and "hereunder" and any similar terms shall refer to this Mortgage as a whole and not to any particular paragraph. The word "hereafter" shall mean after the date of this Mortgage and the word "heretofore" shall mean before the date of this Mortgage. Words of the masculine, feminine or neuter gender shall mean and include the corresponding words of the other genders, and words implying the singular number shall mean and include the plural number and vice versa. References to and other words implying persons shall include firms, associations, partnerships (including limited partnerships), limited liability companies, trusts, corporations and other legal entities, including public bodies, as well as natural persons.

25. Waivers by Mortgagor. To the extent permitted by all applicable Laws, Mortgagor shall not apply for or avail itself of any appraisal, valuation, reinstatement, redemption, 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. Mortgagor, for itself and all who may claim through or under it, waives any right to have the property and estates comprising the Premises marshaled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety. Mortgagor hereby waives any rights of redemption, including redemption from judgment of foreclosure and/or from sale under any order or decree of foreclosure, pursuant to rights herein granted, on behalf of Mortgagor and all persons beneficially interested therein, if any, and each and every person acquiring any interest in or title to the Premises described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by applicable Laws.

26. After Acquired Property. Any property hereafter acquired and placed, installed or incorporated on or into the Premises, which is of the kind or nature herein provided, or is

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intended to be and becomes subject to the lien hereof, shall ipso facto, and without any further conveyance, assignment or act of Mortgagor's become and be subject to the lien of this Mortgage as fully and completely as though specifically described herein, but nevertheless, Mortgagor shall from time to time, if requested by Mortgagee, execute and deliver any and all such further assurances, conveyances and assignments as Mortgagee may reasonably require for the purpose of expressly and specifically subjecting to the lien of this Mortgage all such property.

27. No Partnership or Joint Venture. Mortgagor and Mortgagee acknowledge and agree that in no event shall Mortgagee be deemed to be a partner or joint venturer with Mortgagor. Without limitation of the foregoing, Mortgagee shall not be deemed to be such a partner or joint venturer on account of its becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage, the Note or otherwise.

28. No Liability on Mortgagee. This Mortgage is intended only as security for the obligations herein set forth. Notwithstanding anything contained herein to the contrary, Mortgagee shall not be obligated to perform or discharge and does not hereby undertake to perform or discharge, any obligation, duty or liability of Mortgagor, whether hereunder, under any of the leases affecting the Premises, under any contract relating to the Premises or otherwise, and Mortgagor shall and does hereby agree to indemnify against and hold Mortgagee harmless of and from: (i) any liability, loss or damage which Mortgagee may incur under or with respect to any portion of the Premises or under or by reason of its exercise of rights hereunder and (ii) any claims and demands whatsoever which may be asserted against it by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants or agreements contained in any of the contracts, documents or instruments affecting any portion of the Premises or affecting any rights of the Mortgagor thereto. Mortgagee shall not have responsibility for the control, care, management or repair of the Premises or be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Premises resulting in loss or injury or death to any lessee, licensee, employee, stranger or other person. No liability shall be enforced or asserted against Mortgagee in its exercise of the powers herein granted to it, and Mortgagor expressly waives and releases any such liability. Should Mortgagee incur any such liability, loss

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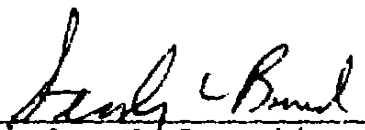
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or damage under any of the leases affecting the Premises or under or by reason hereof, or in the defense of any claims or demands, Mortgagor agrees to reimburse Mortgagee immediately upon demand for the full amount thereof, including costs, expenses and attorneys' fees.

IN WITNESS WHEREOF, Mortgagor has signed these presents the day and year first above written.

MORTGAGOR:



Stanley W. Benecki

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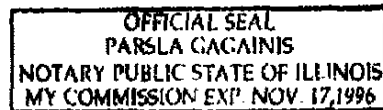
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STATE OF Illinois)
) SS.
COUNTY OF Cook)

I, Parla Gagains, a Notary Public in said County, in the State aforesaid, do hereby certify that Stanley Benecki, who is 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 he signed and delivered the said instrument as his free and voluntary act.

Given under my hand and Seal of Office this 19th day of July 1996.

Parla Gagains
Notary Public



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EXHIBIT A

LOT 1 IN SHEESLEY SUBDIVISION BEING A RESUBDIVISION OF
LOT 4 IN RUBEN AND ORB'S SUBDIVISION OF PART OF
FRACTIONAL SECTION 8, TOWNSHIP 42 NORTH, RANGE 13 EAST
OF THE THIRD PRINCIPAL MERIDIAN, IN THE VILLAGE OF
GLENCOE, COOK COUNTY, ILLINOIS

PERMANENT INDEX NUMBERS: 05-08-303-016-000
05-08-303-017-000
05-08-303-018-000

300 Keystone Court, Glencoe

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waiver of subrogation endorsements. The Improvements and all such property, materials, supplies and equipment shall be insured to an amount equal to 100% of the full insurable value thereof (but in no event less than actual replacement value without deduction for depreciation) at all times against loss or damage by fire, lightning, wind storm, explosion, riot and civil commotion, vandalism and malicious mischief, theft and such other risks as are usually included under what is now known as broad form extended coverage. Mortgagor shall not carry separate insurance, concurrent in kind or form and contributing in the event of loss, with any insurance required hereunder. In the event of a change of ownership or of occupancy of the Premises (without implying or creating any waiver of the right of approval thereof by Mortgagee), immediate notice thereof by mail shall be delivered to all insurers. In the event of any loss covered by such insurance, Mortgagor shall immediately notify Mortgagee in writing, and Mortgagor hereby authorizes and directs each and every insurance company concerned to make payments for such loss directly and solely to Mortgagee (which may, but need not, make proof of loss) and Mortgagee is hereby authorized to adjust, collect, and compromise in its discretion all claims under all policies, and Mortgagor shall sign, upon demand by Mortgagee, all receipts, vouchers, and releases required by such insurance companies. After deducting any costs of collection, Mortgagee may use or apply the proceeds, at its sole option, (i) as a credit upon any portion of the Obligations, or (ii) to repairing and restoring the Improvements, in which event Mortgagee shall not be obliged to see to the proper application thereof nor shall the amount so released or used for restoration be deemed a payment on the Obligations, or (iii) to deliver same to Mortgagor. Notwithstanding the provisions of the immediately preceding sentence, in the event of loss or damage to the Premises, provided and only so long as no event of default has occurred hereunder and no event has occurred or condition exists which, after the giving of notice or passage of time, or both, could give rise to an event of default hereunder, and provided further, that the proceeds of such insurance are sufficient, in Mortgagee's judgment, after first deducting and paying the reasonable expenses, if any, incurred by Mortgagee in the collection of such proceeds, to fully restore, repair and replace the damaged portions of the Premises and to otherwise pay all costs and expenses relating thereto (or if such proceeds are insufficient as hereinbefore provided, Mortgagor shall deposit the entire amount of such deficiency with Mortgagee or make other arrangements satisfactory to Mortgagee to pay such

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deficiency) and that the insurance company shall not claim that, notwithstanding such payment to Mortgagee, such insurance company has no liability to pay any or some portion of such proceeds to Mortgagor, the balance of the proceeds will be held and disbursed by Mortgagee for the purposes of the repair, restoration, building or rebuilding of the Premises as hereinafter provided. In the event such proceeds are applied to restoring the Improvements, such proceeds shall be made available, from time to time, upon Mortgagee being furnished with satisfactory evidence of the estimated cost of such restoration and with such architect's certificates, waivers of lien, contractors' sworn statements and other evidence of cost and of payments as Mortgagee may reasonably require and approve, and if the estimated cost of the work exceeds 10% of the original principal amount of the Obligations, Mortgagor shall furnish Mortgagee with all plans and specifications for such rebuilding or restoration as Mortgagee may require and approve. No payment made prior to the final completion of such work shall exceed 90% of the value of the work performed from time to time, and at all times the undisbursed balance of said proceeds remaining in the hands of Mortgagee shall be at least sufficient to pay for the cost of completion of such work, free and clear of any liens. No interest shall be allowed to Mortgagor on any proceeds of insurance paid to and held by Mortgagee. In the event of foreclosure of this Mortgage, or other transfer of title to the Premises in extinguishment of the Obligations, all right, title, and interest of Mortgagor in and to any insurance policies then in force, and any claims or proceeds thereunder shall pass to Mortgagee or any purchaser or grantee. In the event Mortgagee, in its sole discretion, determines that any insurance provided by Mortgagor does not comply with the insurance requirements set forth herein, Mortgagee may, at any time and at its sole discretion, procure and substitute for any of the insurance so held as aforesaid, such other policy or policies of insurance, in such amount and carried by such company as it may determine, the cost of which shall be repaid to Mortgagee by Mortgagor upon demand. Mortgagor shall furnish to Mortgagee, upon its request, and without cost to Mortgagee, estimates or appraisals of insurable value, such as are regularly and ordinarily made by insurance companies to determine the then replacement cost of the Improvements and all other property, materials, supplies and equipment described in the first sentence of this paragraph 3(a).

(b) Mortgagor shall carry and maintain in full force at all times comprehensive public liability insurance as may be

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required from time to time by Mortgagee in forms, amounts, and with companies satisfactory to Mortgagee, and Mortgagor will apply all insurance proceeds under such policies to the payment and discharge of the liabilities in respect of which such proceeds are collected. The amounts of coverage shall not be less than \$2,000,000 combined single limit and the policy or policies shall name Mortgagee as an additional insured party thereunder.

(c) INTENTIONALLY OMITTED.

(d) Unless Mortgagee otherwise agrees, true, correct and complete copies of all policies of insurance required hereunder to be maintained by the Mortgagor, together with evidence that the premium therefor covering a period of not less than one year has been prepaid, shall be deposited with Mortgagee and shall provide for, among other things, payment of losses notwithstanding any acts or omissions of Mortgagor and giving written notice to Mortgagee of their expiration or cancellation at least 30 days prior to such event occurring. Not less than 30 days prior to the expiration of any such policy, Mortgagor shall deposit an appropriate renewal or replacement policy and evidence of the premium payment therefor, as aforesaid. The policy of insurance required under paragraph 3(a) shall contain a lender's loss payable endorsement in favor of Mortgagee.

4. Preservation, Restoration and Use of Premises. Mortgagor shall complete, within a reasonable time, any Improvements now or any time hereafter in the process of being constructed upon the Real Estate. No Improvement shall (except as required by any applicable Law) be altered, removed, or demolished nor shall any fixtures, appliances or other personal property subject to the lien hereof, on, in or about the Improvements be severed, removed, sold or mortgaged, without the prior written consent of Mortgagee, and in the event of the demolition or destruction in whole or in part of any of the fixtures, chattels, or articles of personal property covered hereby or by any separate security agreement given in conjunction herewith, the same shall be replaced promptly by similar fixtures, chattels, and articles of personal property at least equal in quality and condition to those replaced, free from any security interest in or encumbrances thereon or reservation of title thereto. Mortgagor shall promptly repair, restore, or rebuild any Improvements now or hereafter on the Premises which may become damaged or be destroyed; provided,

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however, that if Mortgagee has elected to apply insurance loss proceeds toward payment of the Obligations as provided for herein, the provisions of this sentence shall not apply. The Improvements shall be so restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction. Mortgagor shall not permit, commit, or suffer any waste, impairment, or deterioration of the Premises or any part or improvement thereof, and shall keep and maintain the Premises and every part thereof in good repair and condition and effect such repairs as Mortgagee may require, and, from time to time, make all needful and proper replacements and additions thereto so that the Improvements will, at all times, be in good condition, fit and proper for the respective purposes for which they were originally erected or installed. Mortgagor shall not suffer or permit the Premises to be abandoned or to be used for a purpose other than that for which the Premises are presently used or for development and use for residential purposes, or represented to Mortgagee to be used. Mortgagor shall not subject the Premises to any use covenants or restrictions and shall not initiate, join in or consent to any change in any existing private restrictive covenant, zoning ordinance, or other public or private restriction limiting or defining the uses which may be made of or the kind of improvements which can be constructed or placed on the Premises or any part thereof, and shall promptly notify Mortgagee of, and appear in and defend, at its sole cost and expense, any such proceedings seeking to effect any of the foregoing. Mortgagor shall not subdivide the Real Estate and shall not subject the Premises to the provisions of the condominium laws of the state in which the Premises are situated.

5. Compliance with Governmental, Insurance and Other Requirements. Mortgagor shall comply with all applicable Laws relating to the Premises or the use thereof and shall observe and comply with all conditions and requirements necessary to maintain in force the insurance required under paragraph 3 hereof and to preserve and extend any rights, consents, licenses, permits, privileges, franchises and concessions (including rights, consents, licenses, permits, privileges, franchises and concessions relating to land use development, landmark preservation, construction, access, water rights, noise, pollution, zoning variances, special exceptions and nonconforming uses) which are applicable to the Premises or which have been granted to or contracted for by Mortgagor in connection with any existing or presently contemplated use of the Premises. In the event that any Improvements must be

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altered or removed to enable Mortgagor to comply with the foregoing provisions of this paragraph 5, Mortgagor shall, except in case of emergency, not commence any such alterations or removals without Mortgagee's prior approval of the need therefor and the plans and specifications pertaining thereto. After such approval, Mortgagor, at its sole cost and expense, shall immediately effect the alterations or removal so required and approved by Mortgagee. Mortgagor shall not by act or omission permit any building or other improvement on land not subject to the lien of this Mortgage to encroach onto or otherwise rely upon the Premises or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Premises or any interest therein to be so used. No Improvement shall encroach onto or otherwise rely upon any land not subject to the lien of this Mortgage or any interest therein to fulfill any governmental or municipal requirement. Mortgagor shall not by act or omission impair the integrity of the Premises as a single zoning lot separate and apart from all other land. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this paragraph 5 shall be void. Mortgagor shall duly and punctually perform and comply with all covenants and conditions expressed as binding upon it under any recorded document or any other agreement of any nature whatsoever binding upon it which pertains to the Premises.

6. Liens, Encumbrances and Transfers of Ownership. Except for Construction Mortgages (as defined in the Contract), Mortgagor shall keep the Premises free from liens of mechanics and materialmen and from all other liens, charges, and encumbrances of whatever nature regardless of (i) whether the same arise voluntarily or involuntarily on the part of Mortgagor and (ii) whether the same are subordinate to, prior to, or on a parity with the lien of this Mortgage, and shall furnish to Mortgagee satisfactory evidence of the payment and discharge of any such liens, charges, and encumbrances, asserted or claimed to exist against the Premises, except for any lien or encumbrance expressly consented to by Mortgagee, with respect to which Mortgagor shall pay, when due, the obligations relating thereto and upon Mortgagee's request, furnish to Mortgagee satisfactory evidence of such payment or payments. Except for Construction Mortgages and/or a sale of a Lot for a purchase price not less than minimum amount therefor specified in the Contract, Mortgagor shall not, without the prior written consent of Mortgagee, sell, transfer, convey, lease or sublease, alien,

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pledge, hypothecate, mortgage, encumber, or assign the title or any interest (beneficial or otherwise) therein to all or any portion of the Premises, or the rents, issues, or profits therefor, whether by operation of law, voluntarily, or otherwise, and shall not contract to do any of the foregoing.

7. Eminent Domain. Mortgagor shall give Mortgagee immediate notice of any action or proceeding for the taking through condemnation of the Premises or any part thereof, including severance and consequential damage and change in grade of streets, and shall deliver to Mortgagee copies of any papers served in connection with any such action or proceeding. Mortgagee is hereby authorized, at its option, to commence, appear in and prosecute, through counsel selected by Mortgagee, in its own or in Mortgagor's name, any such action or proceeding. All compensation, awards, damages, claims, rights of action and proceeds and the right thereto (collectively "Awards") are hereby assigned by Mortgagor to Mortgagee and Mortgagee is hereby authorized to collect and receive from any governmental authority any Awards heretofore or hereafter made or to be made to the present and all subsequent owners of the Premises by any such governmental authority for the taking, by condemnation or eminent domain, hereby assigned from Mortgagor to Mortgagee, as aforesaid, and Mortgagee is hereby authorized to give appropriate receipts and acquittances therefor. Mortgagor shall make, execute and deliver to Mortgagee at any time or times upon request, free, clear, and discharged of any encumbrances of any kind whatsoever, any further assignments and instruments deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning to Mortgagee all Awards heretofore and hereafter to be made to Mortgagor for any taking, either permanent or temporary, under any such proceeding. The proceeds of all Awards shall be paid to Mortgagee and may be applied by Mortgagee, at its option, after the payment of all of its expenses in connection with such proceedings, including costs and reasonable attorneys' fees, to the reduction of the Obligations or to restoring the Improvements (in which event the same shall be paid out in the same manner as is provided, with respect to insurance proceeds, in paragraph 3(a) hereof), all without affecting the security interest created by this Mortgage; provided, however, that notwithstanding the foregoing, if and only so long as no event of default has occurred hereunder and no event has occurred or conditions exists which, after the giving of notice or passage of time, or both, could give rise to an event of default hereunder, and provided

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further, that the proceeds of such award are sufficient, in Mortgagee's judgment, after first deducting and paying the reasonable expenses, if any, incurred by Mortgagee in the collection of such proceeds, to fully restore, repair and replace the damaged or taken portions of the Premises and to otherwise pay all costs and expenses relating thereto (or if such proceeds are insufficient as hereinabove provided, Mortgagor shall deposit the entire amount of such deficiency with Mortgagee or make other arrangements satisfactory to Mortgagee to pay such deficiency), the balance of the proceeds shall be held and applied to the restoration of the Improvements. Mortgagor shall execute such further assignments of any Awards as Mortgagee may require.

8. Subordination. Subject to the terms and conditions set forth in the Contract, Mortgagee has agreed to subordinate the lien of this Mortgage to a Construction Mortgage, which subordination shall be evidenced by a subordination agreement in form and content reasonably satisfactory to Mortgagee, which shall be recorded in the Office of the Recorder of Cook County, Illinois. At such time as Mortgagee shall execute and deliver such a subordination agreement in respect of a Construction Mortgage, all of Mortgagee's rights and remedies hereunder shall be subject to the rights of the holder of such Construction Mortgage to the extent and in the manner set forth in such subordination agreement.

9. Inspection of Premises. Mortgagor shall permit Mortgagee and its agents to inspect the Premises at all times and access thereto shall be permitted for such purpose.

10. Future Advances. All future advances made by Mortgagee at any time before full payment of the Obligations, including obligatory advances and advances made at the option of Mortgagee, shall, together with interest thereon, be on a parity with, and not subordinate to, the Obligations, although there may be no advance made at the time of execution of this Mortgage and although there may be no Obligations outstanding at the time any advance is made. All such future advances shall be secured hereby in accordance with all covenants and agreements herein contained; provided, that the amount of principal secured hereby and remaining unpaid shall not, including the amount of such advances, exceed the sum of \$5,000,000; and provided, further that if Mortgagee shall make future advances as aforesaid, Mortgagor shall repay all such advances in accordance with the note or notes, or agreement and

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agreements, evidencing the same, which shall be payable no later than the maturity of this Mortgage and shall include such other terms as Mortgagee shall require.

11. Partial Invalidity. Mortgagor and Mortgagee intend and believe that each provision in this Mortgage comports with all applicable Laws. However, if any provision or provisions, or if any portion of any provision or provisions, in this Mortgage is found by a court of competent jurisdiction to be in violation of any applicable Laws, and if such court should declare such portion, provision or provisions of this Mortgage to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent both of Mortgagor and Mortgagee that such portion, provision or provisions shall be given force to the fullest possible extent that it or they are legal, valid and enforceable, that the remainder of this Mortgage shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained herein, or therein, as the case may be, and that the rights, obligations and interest of Mortgagor and Mortgagee under the remainder of this Mortgage shall continue in full force and effect. If under the circumstances, interest in excess of the limit allowable by applicable Law shall have been paid by Mortgagor in connection with the Obligations, such excess shall be applied by Mortgagee to the unpaid principal balance of the Obligations in such manner as Mortgagee may in its sole discretion determine, or refunded to Mortgagor in the manner to be determined by Mortgagee and if any such excess interest has accrued, Mortgagee shall eliminate such excess interest so that under no circumstances shall interest on the Obligations exceed the maximum rate allowed by applicable Law.

12. Subrogation. In the event the proceeds of the Obligations, or any part thereof, or any other amount paid out or advanced by Mortgagee shall be used directly or indirectly to pay off, discharge, or satisfy, in whole or in part, any prior lien or encumbrance upon the Premises or any part thereof, including any Construction Mortgage, Mortgagee shall be subrogated to such other lien or encumbrance and to any additional security held by the holder thereof and shall have the benefit of the priority of all of same.

13. Mortgagee's Right to Deal with Transferee. In the event of the voluntary sale, or transfer by operation of law, or otherwise, of all or any part of the Premises, Mortgagee is hereby authorized and empowered to deal with such vendee or

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transferee with reference to the Premises, or the Obligations, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might with Mortgagor, without in any way releasing, or discharging Mortgagor from Mortgagor's covenants and undertakings hereunder, specifically including paragraph 6 hereof, and without Mortgagee waiving its rights to accelerate the Obligations in the event of a breach of paragraph 6 hereof.

14. Certain Acts of Mortgagee. Mortgagee, at its sole option, without notice and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior liens, (i) may release any part of the Premises or any person liable for any Obligations, without in any way affecting the liability under this Mortgage or the Note, and without in any way affecting the priority of the lien of this Mortgage, (ii) may agree with any person obligated on the Obligations to extend the time for payment of any part or all of the Obligations, (iii) may accept a renewal note or notes therefor, (iv) may take or release other or additional security for the Obligations, (v) may consent to any plat, map or plan of the Premises, (vi) may consent to the granting of any easement, (vii) may join in any extension or subordination agreement, (viii) may agree in writing with Mortgagor to modify the rate of interest, or (ix) may waive or fail to exercise any right, power or remedy granted by law, this Mortgage or the Note. Any such agreement shall not, in any way, release or impair the lien created by this Mortgage, or reduce or modify the liability, if any, of any person personally obligated for the Obligations, but shall, as applicable, extend the lien hereof as against the title of all persons having any interest in the Premises which interest is subject to this Mortgage.

15. Expenses Incurred by Mortgagee. Any costs, damages, expenses or fees, including attorneys' fees, incurred by Mortgagee in connection with (i) sustaining the lien of this Mortgage or its priority, (ii) obtaining any abstract, title opinion, title report, title searches, commitment for title insurance or title insurance policy, (iii) protecting the Premises, (iv) protecting or enforcing any of Mortgagee's rights hereunder, (v) recovering any Obligations, (vi) any litigation or other legal proceedings (including bankruptcy, probate and administrative law proceedings) affecting this Mortgage or the Premises, or (vii) preparing for the commencement, defense or participation in any threatened litigation or proceedings as aforesaid, or as otherwise enumerated in paragraph 16 hereof,

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shall be so much additional Obligations and shall be immediately due and payable by Mortgagor, without notice, with interest thereon at the default interest rate specified in the Note.

16. Default and Remedies. (a) It shall constitute an event of default under this Mortgage when and if (i) any "Event of Default" occurs under the Note, (ii) any default occurs in the due and punctual performance of or compliance with any term, covenant or condition in this Mortgage and said default continues for a period of 15 days after Mortgagee gives written notice thereof to Mortgagor; provided, however, that if said default cannot be cured within said 15 day period, Mortgagor has commenced to effect a cure within such 15 day period and Mortgagor diligently pursues such cure, Mortgagor shall have so much additional time as may be reasonably necessary to cure said default, but in no event more than 90 days from the date of said notice or (iii) any of the representations or warranties of Mortgagor made herein shall prove to be false in any material respect when made.

(b) In addition to any other remedy herein specified, if any event of default under this Mortgage shall occur, Mortgagee may, at its option, (i) declare the entire Obligations to be immediately due and payable, without notice or demand (each of which is hereby expressly waived by Mortgagor) whereupon the same shall become immediately due and payable, (ii) institute proceedings for the complete foreclosure of this Mortgage, (iii) INTENTIONALLY OMITTED, (iv) take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in this Mortgage or the Note, or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as Mortgagee shall elect, (v) with respect to any part of the Premises constituting property of the type in respect of which a security interest granted thereon is governed by the Uniform Commercial Code, exercise all rights, options and remedies of secured parties under the Uniform Commercial Code, including the right to possession of any such property or any part thereof, and the right to enter, without legal process, any premises where any such property may be found, it being agreed and understood by Mortgagor that any requirement of the Uniform Commercial Code for reasonable notification shall be sent by mailing written notice to Mortgagor at its address set forth below at least ten days prior to sale or other event for which such notice is

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required, or (vi) enforce this Mortgage in any other manner permitted under the laws of the State of Illinois.

(c) In any suit to foreclose the lien of this Mortgage or enforce any other remedy of Mortgagee under this Mortgage or the Note there shall be allowed and included, as additional Obligations in the judgment or decree, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, survey costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all abstracts of title, title commitments, title reports, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as Mortgagee may deem necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or value of the Premises.

(d) In any case in which, under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings whether or not the entire principal of the Obligations is declared to be immediately due as aforesaid, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, forthwith, upon application by Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of the Premises, or any part thereof, personally or by its agent or attorneys, as for condition broker and to the fullest extent permitted by any applicable Laws, Mortgagee in its discretion may enter upon and take and maintain possession of all or any part of the Premises, together with all documents, books, records, papers, and accounts of Mortgagor or the then manager of the Premises relating thereto, and may exclude Mortgagor, its agents, or servants, wholly therefrom and may, as attorney-in-fact or agent of Mortgagor, or in its own name as Mortgagee and under the powers herein granted: (i) hold, operate, manage, and control the Premises and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues and profits of the Premises including actions for recovery of rent, actions in forcible detainer and actions in distress for rent, hereby

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granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any times hereafter, without notice to Mortgagor, (ii) make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements to the Premises as to Mortgagee may seem judicious, (iii) insure and reinsure the Premises and all risks incidental to Mortgagee's possession, operation, and management thereof, and (iv) receive all avails, rents, issues and profits; hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter without notice to Mortgagor.

(e) Upon or at any time after the filing of any action to foreclose this Mortgage, Mortgagor consents, upon application by Mortgagee, to the appointment of a receiver of the Premises. Such appointment may be made either before or after sale without notice and without regard to the solvency or insolvency, at the time of application for such receiver, of the person or persons, if any, liable for the payment of the Obligations and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not, and without bond being required of the applicant. Such receiver shall have the power to take possession, control, and care of the Premises and to collect the rents, issues, and profits of the Premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption (provided that the period of redemption has not been waived by Mortgagor), as well as during any further times when Mortgagor, its heirs, administrators, executors, successors, or assigns, except for the intervention of such receiver, would be entitled to collect such rents, issues, and profits, and all other powers which may be necessary or are useful in such cases for the protection, possession, control, management, and operation of the Premises, during the whole of said period. To the extent permitted by applicable Law, said receiver may be authorized by the court to extend or modify any then existing leases to make new leases, which extensions, modifications, and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Obligations, it being understood and agreed that any such leases and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the

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Obligations, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser.

(f) All or any portion of the Premises or any interest or estate therein sold pursuant to any court order or decree obtained pursuant to 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 the laws of the state in which the Premises are situated. At any such sale, Mortgagee may bid for and acquire, as purchaser, the Premises or any part thereof, and in lieu of paying cash therefor, may make settlement for the purchase price by crediting upon the indebtedness due the amount of Mortgagee's bid.

(g) The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: (i) on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in paragraph 160 hereof, (ii) all other items which, under the terms hereof, constitute Obligations additional to that evidenced by the Note, with interest thereon, at the default interest rate specified in the Note, (iii) all principal and interest remaining unpaid on the Note in such order as Mortgagee may, in its sole discretion, determine and (iv) any overplus to such person or persons as shall be legally entitled thereto.

(h) At any foreclosure proceeding, if the Premises shall be sold for a sum less than the total amount of the indebtedness for which judgment is therein given, the judgment creditor shall be entitled to the entry of a deficiency decree against Mortgagor and against the property of Mortgagor for the amount of such deficiency and Mortgagor does hereby irrevocably consent to the appointment of a receiver for the Premises and the property of Mortgagor and of the avails, rents, issues and profits thereof after such sale until such deficiency decree is satisfied in full.

(i) No action for the enforcement of the lien of this Mortgage shall be subject to any defense which would not be good and available to the party interposing the same in an action of law upon the Note.

(j) Acceptance by Mortgagee of any payment which is less than payment in full of all amounts due and payable at the time

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of such payment shall not constitute a waiver of Mortgagee's right to exercise its option to declare the whole of the principal of the Obligations then remaining unpaid, together with all accrued interest thereon, immediately due and payable without notice, or any other rights of Mortgagee at that time or any subsequent time, nor nullify any prior exercise of such option or such rights of Mortgagee without its express consent except and to the extent otherwise provided by law.

(k) No delay in the exercise of or failure to exercise any remedy or right accruing on the occurrence of any event of default hereunder shall impair any such remedy or right or be construed to be a waiver of any such default or acquiescence therein, nor shall it affect any subsequent default of the same or of a different nature.

(l) 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, whereupon, in either of such events, Mortgagor and Mortgagee shall be restored to their former positions, and the rights, remedies and power of Mortgagee shall continue as if such acceleration had not been made or such proceedings had not been commenced, as the case may be.

(m) The rights and remedies of Mortgagee as provided in this Mortgage and the Note shall be cumulative and concurrent and may be pursued separately, successively or together against Mortgagor, any guarantor or the Premises, or any one or more of them, at the sole discretion of Mortgagee, and may be exercised as often as occasion therefor shall arise, all to the maximum extent permitted by the Laws of the state in which the Premises are situated. If Mortgagee elects to proceed under one right or remedy under this Mortgage, or the Note, Mortgagee may at any time cease proceeding under such right or remedy and proceed under any other right or remedy under this Mortgage or the Note.

17. Mortgagee's Performance of Defaulted Acts. If an event of default hereunder shall occur, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient by Mortgagee. Mortgagee is hereby authorized to make or advance, in the place and stead of Mortgagor, any payment relating to taxes, assessments, water rates, sewer rentals, and other governmental charges, fines, impositions, or liens asserted against the

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Premises and may do so according to any bill, statement, or estimate procured from the appropriate governmental authority without inquiry into the accuracy of the bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien, or title or claim thereof, and Mortgagor is further authorized to make or advance in the place and stead of Mortgagor any payment relating to any apparent or threatened adverse title, lien, statement of lien, encumbrance, claim, or charge, or payment otherwise relating to any other purpose herein and hereby authorized, but not enumerated in this paragraph 17, and may do so whenever, in Mortgagee's sole judgment and discretion, such advance or advances shall seem necessary or desirable to protect the full security intended to be created by this Mortgage, and in connection with any such advance, Mortgagee, at its option, may and is hereby authorized to obtain a continuation abstract or report of title or commitment for title insurance or title insurance policy prepared by an abstractor or title insurance company of Mortgagee's choosing. All monies paid or incurred in connection therewith, including attorney's fees, and any other monies advanced by Mortgagee to protect the Premises and the lien hereof, shall be so much additional Obligations, and shall become immediately due and payable by Mortgagor to Mortgagee without notice and with interest thereon at the default interest rate specified in the Note. 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.

18. Giving of Notice. All notices which any party may be required or may desire to give in connection with this Mortgage shall be in writing, and shall be personally delivered, sent by overnight express delivery by a nationally recognized delivery service, freight prepaid, or sent by United States Registered or Certified Mail, postage prepaid, addressed as follows:

If to Mortgagor at: Stanley W. Benecki
5321 West Pensacola
Chicago, Illinois 60641

If to Mortgagee at: c/o David R. Abell Ltd.
560 Green Bay Road
Suite 407
Winnetka, Illinois 60093

Notices, demands and requests which shall be served in the manner aforesaid shall be deemed to be sufficiently delivered

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or given for all purposes hereunder (i) in the case of personal delivery upon such delivery, (ii) in the case of overnight express delivery, one business day after delivery to such delivery service and (iii) in the case of mailing by Registered or Certified Mail, two business days after such notice, demand or request shall be mailed. By notice complying with the foregoing provisions of this paragraph 18, either party may from time to time change its address for notice purposes, except that any such notice shall not be deemed delivered until actually received. Except as otherwise specifically required, notice of the exercise of any option, right or remedy granted to Mortgagee herein or in the Note is not required to be given.

19. Time is of the Essence. It is specifically agreed that time is of the essence of this Mortgage. The waiver of any of the options, rights or remedies of Mortgagee shall not at any time thereafter be held to be abandonment of such rights.

20. Modifications. This Mortgage may not be changed, waived, discharged or terminated orally, but only by an instrument or instruments in writing, signed by the party against which enforcement of the change, waiver, discharge or termination is asserted.

21. Covenants to Run with the Real Estate. All the covenants of Mortgagor hereof shall run with and touch and concern the Real Estate.

22. Captions. The captions and headings of various paragraphs are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

23. Construction. This Mortgage shall be governed by and construed and enforced according to the laws of the State of Illinois.

24. Binding on Successors and Assigns; Certain Definitions. This Mortgage and all provisions and covenants of Mortgagor hereof shall extend to and be binding upon Mortgagor's successors and assigns and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include and refer to, in addition to Mortgagor named herein, (i) all such persons liable for the payment of the Obligations or any part thereof, whether or not such persons shall have executed the Note or this Mortgage, (ii) Mortgagor's successors

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and assigns and (iii) all owners from time to time of the Premises. The word "Mortgagee" when used herein shall include the successors and assigns of Mortgagee named herein, and the holder or holders, from time to time, of the Note. The following words and phrases shall be construed as follows: (x) "any" shall be construed as "any and all"; (y) "include" and "including" shall be construed as "including but not limited to"; and (z) "will" and "shall" shall each be construed as mandatory. The words "hereby", "hereof", "hereto", "herein" and "hereunder" and any similar terms shall refer to this Mortgage as a whole and not to any particular paragraph. The word "hereafter" shall mean after the date of this Mortgage and the word "heretofore" shall mean before the date of this Mortgage. Words of the masculine, feminine or neuter gender shall mean and include the corresponding words of the other genders, and words implying the singular number shall mean and include the plural number and vice versa. References to and other words implying persons shall include firms, associations, partnerships (including limited partnerships), limited liability companies, trusts, corporations and other legal entities, including public bodies, as well as natural persons.

25. Waivers by Mortgagor. To the extent permitted by all applicable Laws, Mortgagor shall not apply for or avail itself of any appraisement, valuation, reinstatement, redemption, 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. Mortgagor, for itself and all who may claim through or under it, waives any right to have the property and estates comprising the Premises marshaled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety. Mortgagor hereby waives any rights of redemption, including redemption from judgment of foreclosure and/or from sale under any order or decree of foreclosure, pursuant to rights herein granted, on behalf of Mortgagor and all persons beneficially interested therein, if any, and each and every person acquiring any interest in or title to the Premises described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by applicable Laws.

26. After Acquired Property. Any property hereafter acquired and placed, installed or incorporated on or into the Premises, which is of the kind or nature herein provided, or is

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intended to be and becomes subject to the lien hereof, shall ipso facto, and without any further conveyance, assignment or act of Mortgagor's become and be subject to the lien of this Mortgage as fully and completely as though specifically described herein, but nevertheless, Mortgagor shall from time to time, if requested by Mortgagee, execute and deliver any and all such further assurances, conveyances and assignments as Mortgagee may reasonably require for the purpose of expressly and specifically subjecting to the lien of this Mortgage all such property.

27. No Partnership or Joint Venture. Mortgagor and Mortgagee acknowledge and agree that in no event shall Mortgagee be deemed to be a partner or joint venturer with Mortgagor. Without limitation of the foregoing, Mortgagee shall not be deemed to be such a partner or joint venturer on account of its becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage, the Note or otherwise.

28. No Liability on Mortgagee. This Mortgage is intended only as security for the obligations herein set forth. Notwithstanding anything contained herein to the contrary, Mortgagee shall not be obligated to perform or discharge and does not hereby undertake to perform or discharge, any obligation, duty or liability of Mortgagor, whether hereunder, under any of the leases affecting the Premises, under any contract relating to the Premises or otherwise, and Mortgagor shall and does hereby agree to indemnify against and hold Mortgagee harmless of and from: (i) any liability, loss or damage which Mortgagee may incur under or with respect to any portion of the Premises or under or by reason of its exercise of rights hereunder and (ii) any claims and demands whatsoever which may be asserted against it by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants or agreements contained in any of the contracts, documents or instruments affecting any portion of the Premises or affecting any rights of the Mortgagor thereto. Mortgagee shall not have responsibility for the control, care, management or repair of the Premises or be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Premises resulting in loss or injury or death to any lessee, licensee, employee, stranger or other person. No liability shall be enforced or asserted against Mortgagee in its exercise of the powers herein granted to it, and Mortgagor expressly waives and releases any such liability. Should Mortgagee incur any such liability, loss

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or damage under any of the leases affecting the Premises or under or by reason hereof, or in the defense of any claims or demands, Mortgagor agrees to reimburse Mortgagee immediately upon demand for the full amount thereof, including costs, expenses and attorneys' fees.

IN WITNESS WHEREOF, Mortgagor has signed these presents the day and year first above written.

MORTGAGOR:


Stanley W Benecki

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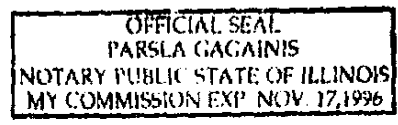
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STATE OF Illinois)
) SS.
COUNTY OF Cook)

I, Paula Gagains, a Notary Public in said County, in the State aforesaid, do hereby certify that Stanley Benecki, who is 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 he signed and delivered the said instrument as his free and voluntary act.

Given under my hand and Seal of Office this 19th day of July 1996.

Paula Gagains
Notary Public



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EXHIBIT A

LOT 1 IN SHEESLEY SUBDIVISION BEING A RESUBDIVISION OF
LOT 4 IN RUBEN AND ORB'S SUBDIVISION OF PART OF
FRACTIONAL SECTION 8, TOWNSHIP 42 NORTH, RANGE 13 EAST
OF THE THIRD PRINCIPAL MERIDIAN, IN THE VILLAGE OF
GLENCOE, COOK COUNTY, ILLINOIS

PERMANENT INDEX NUMBERS: 05-08-303-016-000
05-08-303-017-000
05-08-303-018-000

300 Newstone Court, Glencoe

PROPERTY PAT. CLERK SHEESLEY MEGAN DEN

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