

WHEN RECORDED, RETURN TO:

Graham & James LLP
One Maritime Plaza, Suite 300
San Francisco, CA 94111
Attention: Nancy Lundeen, Esq.

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Loan Nos. 1005, 1006, 1007, 1008,
1010 and 1011

DEPT-01 RECORDING \$65.00
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COOK COUNTY RECORDER

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CROSS-GUARANTY, CROSS-DEFAULT 3075
CROSS-COLLATERALIZATION AND CONTRIBUTION AGREEMENT

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THIS CROSS-GUARANTY, CROSS-DEFAULT, CROSS-COLLATERALIZATION AND CONTRIBUTION AGREEMENT (this "Agreement"), made as of September 11, 1997, by LA SALLE NATIONAL BANK, not personally but solely as Trustee under Trust Agreement dated November 21, 1991 and known as Trust Number 116776, having an address at 135 South LaSalle Street, Chicago, IL 60690, Attn: Land Trust Department ("First Borrower"), LA SALLE NATIONAL BANK, not personally but solely as Trustee under Trust Agreement dated August 21, 1997 and known as Trust Number 121206, having an address at 135 South LaSalle Street, Chicago, IL 60690, Attn: Land Trust Department ("Second Borrower"), LA SALLE NATIONAL BANK, not personally but solely as Trustee under Trust Agreement dated August 21, 1997 and known as Trust Number 121206, having an address at 135 South LaSalle Street, Chicago, IL 60690, Attn: Land Trust Department ("Third Borrower"), LA SALLE NATIONAL BANK, not personally but solely as Trustee under Trust Agreement dated August 21, 1997 and known as Trust Number 121204, having an address at 135 South LaSalle Street, Chicago, IL 60690, Attn: Land Trust Department ("Fourth Borrower"), LA SALLE NATIONAL BANK, not personally but solely as Trustee under Trust Agreement dated August 21, 1997 and known as Trust Number 121205, having an address at 135 South LaSalle Street, Chicago, IL 60690, Attn: Land Trust Department ("Fifth Borrower"); ADLAKE BUILDING L.L.C, an Indiana limited liability company, having an address at Hawthorn Realty Group, 2 North LaSalle Street, Suite 730, Chicago, IL 60602 ("Sixth Borrower") (First Borrower, Second Borrower, Third Borrower, Fourth Borrower, Fifth Borrower and Sixth Borrower are hereinafter referred to individually and collectively, the "Borrowers"), HAWTHORN-BALMORAL LIMITED PARTNERSHIP, an Illinois limited partnership, and JOSEPH S. BEALE, an individual ("Beale"), each having an address at Hawthorn Realty Group, 2 North LaSalle Street, Suite 730, Chicago, IL 60602 (collectively, "First Indemnitor"), SESAME BUILDINGS L.L.C., an Illinois limited liability company, and Beale, each having an address at Hawthorn Realty Group, 2 North LaSalle Street, Suite 730, Chicago, IL 60602 (collectively, "Second Indemnitor"), SESAME BUILDINGS L.L.C., an Illinois limited liability company, and Beale, each having an address at Hawthorn Realty Group, 2 North LaSalle Street,

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Suite 730, Chicago, IL 60602 (collectively, "Third Indemnitor"), CENTRAL ENTERPRISES, an Illinois general partnership, and Beale, each having an address at Hawthorn Realty Group, 2 North LaSalle Street, Suite 730, Chicago, IL 60602 (collectively, "Fourth Indemnitor"), EUCLID ASSOCIATES I L.L.C., an Illinois limited liability company, and Beale, each having an address at Hawthorn Realty Group, 2 North LaSalle Street, Suite 730, Chicago, IL 60602 (collectively, "Fifth Indemnitor"), and Beale, having an address at Hawthorn Realty Group, 2 North LaSalle Street, Suite 730, Chicago, IL 60602 ("Sixth Indemnitor"), for the benefit of MP FINANCIAL GROUP, LTD., a Nevada corporation, and its successors and assigns ("Lender"), having an address at 600 Montgomery Street, 39th Floor, San Francisco, CA 94111.

WITNESSETH:

WHEREAS, concurrently with the execution of this Agreement, First Borrower has executed and delivered to Lender its Promissory Note in the original principal amount of THREE MILLION TWO HUNDRED SIXTY THOUSAND DOLLARS (\$3,260,000) (the "First Borrower Note"), in evidence of a loan in such amount (the "First Borrower Loan") being made by Lender to First Borrower;

WHEREAS, concurrently with the execution of this Agreement, Second Borrower has executed and delivered to Lender its Promissory Note in the original principal amount of ONE MILLION NINE HUNDRED SIXTY THOUSAND DOLLARS (\$1,960,000) (the "Second Borrower Note"), in evidence of a loan in such amount (the "Second Borrower Loan") being made by Lender to Second Borrower;

WHEREAS, concurrently with the execution of this Agreement, Third Borrower has executed and delivered to Lender its Promissory Note in the original principal amount of ONE MILLION EIGHT HUNDRED THIRTY THOUSAND DOLLARS (\$1,830,000) (the "Third Borrower Note"), in evidence of a loan in such amount being made by Lender to Third Borrower (the "Third Borrower Loan");

WHEREAS, concurrently with the execution of this Agreement, Fourth Borrower has executed and delivered to Lender its Promissory Note in the original principal amount of TEN MILLION SIX HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$10,675,000) (the "Fourth Borrower Note"), in evidence of a loan in such amount being made by Lender to Fourth Borrower (the "Fourth Borrower Loan");

WHEREAS, concurrently with the execution of this Agreement, Fifth Borrower has executed and delivered to Lender its Promissory Note in the original principal amount of THREE MILLION ONE HUNDRED TEN THOUSAND DOLLARS (\$3,110,000) (the "Fifth Borrower Note"), in evidence of a loan in such amount being made by Lender to Fifth Borrower (the "Fifth Borrower Loan");

WHEREAS, concurrently with the execution of this Agreement, Sixth Borrower has executed and delivered to Lender its Promissory Note in the original principal amount of SIX HUNDRED FIFTY THOUSAND DOLLARS (\$650,000) (the

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"Sixth Borrower Note"; the First Borrower Note, the Second Borrower Note, the Third Borrower Note, the Fourth Borrower Note, the Fifth Borrower Note and the Sixth Borrower Note, each "Note" and collectively, the "Notes"), in evidence of a loan in such amount being made by Lender to Sixth Borrower (the "Sixth Borrower Loan") (the First Borrower Loan, the Second Borrower Loan, the Third Borrower Loan, the Fourth Borrower Loan, the Fifth Borrower Loan and the Sixth Borrower Loan, each a "Loan" and collectively, the "Loans");

WHEREAS, the First Borrower Loan is secured by (i) a Mortgage, Security Agreement and Fixture Filing (the "First Borrower Security Instrument"), encumbering the real property located in Cook County, Illinois, described on Exhibit A-1 attached hereto and made a part hereof, together with all improvements thereon and certain other property described in the First Borrower Security Instrument (collectively, the "First Borrower Property"), and (ii) certain other documents and instruments (the First Borrower Note, the First Borrower Security Instrument and such other documents and instruments, as the same from time to time may be amended, consolidated, extended, renewed, modified, restated or replaced, collectively, the "First Borrower Loan Documents");

WHEREAS, the Second Borrower Loan is secured by (i) a Mortgage, Security Agreement and Fixture Filing (the "Second Borrower Security Instrument"), encumbering the real property located in Cook County, Illinois, described on Exhibit A-2 attached hereto and made a part hereof, together with all improvements thereon and certain other property described in the Second Borrower Security Instrument (collectively, the "Second Borrower Property"), and (ii) certain other documents and instruments (the Second Borrower Note, the Second Borrower Security Instrument and such other documents and instruments, as the same from time to time may be amended, consolidated, extended, renewed, modified, restated or replaced, collectively, the "Second Borrower Loan Documents");

WHEREAS, the Third Borrower Loan is secured by (i) a Mortgage, Security Agreement and Fixture Filing (the "Third Borrower Security Instrument"), encumbering the real property located in Cook County, Illinois, described on Exhibit A-3 attached hereto and made a part hereof, together with all improvements thereon and certain other property described in the Third Borrower Security Instrument (collectively, the "Third Borrower Property"), and (ii) certain other documents and instruments (the Third Borrower Note, the Third Borrower Security Instrument and such other documents and instruments, as the same from time to time may be amended, consolidated, extended, renewed, modified, restated or replaced, collectively, the "Third Borrower Loan Documents");

WHEREAS, the Fourth Borrower Loan is secured by (i) a Mortgage, Security Agreement and Fixture Filing (the "Fourth Borrower Security Instrument"), encumbering the real property located in Cook County, Illinois, described on Exhibit A-4 attached hereto and made a part hereof, together with all improvements thereon and

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certain other property described in the Fourth Borrower Security Instrument (collectively, the "Fourth Borrower Property"), and (ii) certain other documents and instruments (the Fourth Borrower Note, the Fourth Borrower Security Instrument and such other documents and instruments, as the same from time to time may be amended, consolidated, extended, renewed, modified, restated or replaced, collectively, the "Fourth Borrower Loan Documents");

WHEREAS, the Fifth Borrower Loan is secured by (i) a Mortgage, Security Agreement and Fixture Filing (the "Fifth Borrower Security Instrument"), encumbering the real property located in Cook County, Illinois, described on Exhibit A-5 attached hereto and made a part hereof, together with all improvements thereon and certain other property described in the Fifth Borrower Security Instrument (collectively, the "Fifth Borrower Property"), and (ii) certain other documents and instruments (the Fifth Borrower Note, the Fifth Borrower Security Instrument and such other documents and instruments, as the same from time to time may be amended, consolidated, extended, renewed, modified, restated or replaced, collectively, the "Fifth Borrower Loan Documents");

WHEREAS, the Sixth Borrower Loan is secured by (i) a Mortgage, Security Agreement and Fixture Filing (the "Sixth Borrower Security Instrument"; the First Borrower Security Instrument, the Second Borrower Security Instrument, the Third Borrower Security Instrument, the Fourth Borrower Security Instrument, the Fifth Borrower Security Instrument and the Sixth Borrower Security Instrument, each a "Security Instrument" and collectively, the "Security Instruments"), encumbering the real property located in Elkhart County, Indiana, described on Exhibit A-6 attached hereto and made a part hereof, together with all improvements thereon and certain other property described in the Sixth Borrower Security Instrument (collectively, the "Sixth Borrower Property"; the First Borrower Property, the Second Borrower Property, the Third Borrower Property, the Fourth Borrower Property, the Fifth Borrower Property and the Sixth Borrower Property, each a "Property" and collectively, the "Properties"), and (ii) certain other documents and instruments (the Sixth Borrower Note, the Sixth Borrower Security Instrument and such other documents and instruments, as the same from time to time may be amended, consolidated, extended, renewed, modified, restated or replaced, collectively, the "Sixth Borrower Loan Documents"; the First Borrower Loan Documents, the Second Borrower Loan Documents, the Third Borrower Loan Documents, the Fourth Borrower Loan Documents, the Fifth Borrower Loan Documents and the Sixth Borrower Loan Documents, collectively, the "Loan Documents");

WHEREAS, First Borrower, First Indemnitor, Second Borrower, Second Indemnitor, Third Borrower, Third Indemnitor, Fourth Borrower, Fourth Indemnitor, Fifth Borrower, Fifth Indemnitor, Sixth Borrower and Sixth Indemnitor (collectively, the "Borrowing Parties") all are affiliates of each other [describe the exact relationship among them], and each will derive substantial benefit from the Loans; and

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WHEREAS, Lender has required that this Agreement be executed and delivered as a condition to making each of the Loans.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Cross-Guaranties. Effective as of the date hereof:

(a) First Borrower hereby irrevocably, absolutely and unconditionally guaranties to Lender (such guaranty, the "First Borrower Guaranty") the payment when due, by stated maturity, acceleration or otherwise, of each of the Second Borrower Note, the Third Borrower Note, the Fourth Borrower Note, the Fifth Borrower Note and the Sixth Borrower Note. The First Borrower Guaranty as set forth herein is a guaranty of payment and not of collection. Any indebtedness of Second Borrower, Third Borrower, Fourth Borrower, Fifth Borrower or Sixth Borrower to First Borrower now or hereafter existing, together with any interest thereon, shall be, and such indebtedness is hereby, deferred, postponed and subordinated to the First Borrower Guaranty;

(b) Second Borrower hereby irrevocably, absolutely and unconditionally guaranties to Lender (such guaranty, the "Second Borrower Guaranty") the payment when due, by stated maturity, acceleration or otherwise, of each of the First Borrower Note, the Third Borrower Note, the Fourth Borrower Note, the Fifth Borrower Note and the Sixth Borrower Note. The Second Borrower Guaranty as set forth herein is a guaranty of payment and not of collection. Any indebtedness of First Borrower, Third Borrower, Fourth Borrower, Fifth Borrower or Sixth Borrower to Second Borrower now or hereafter existing, together with any interest thereon, shall be, and such indebtedness is hereby, deferred, postponed and subordinated to the Second Borrower Guaranty;

(c) Third Borrower hereby irrevocably, absolutely and unconditionally guaranties to Lender (such guaranty, the "Third Borrower Guaranty") the payment when due, by stated maturity, acceleration or otherwise, of each of the First Borrower Note, the Second Borrower Note, the Fourth Borrower Note, the Fifth Borrower Note and the Sixth Borrower Note. The Third Borrower Guaranty as set forth herein is a guaranty of payment and not of collection. Any indebtedness of First Borrower, Second Borrower, Fourth Borrower, Fifth Borrower or Sixth Borrower to Third Borrower now or hereafter existing, together with any interest thereon, shall be, and such indebtedness is hereby, deferred, postponed and subordinated to the Third Borrower Guaranty;

(d) Fourth Borrower hereby irrevocably, absolutely and unconditionally guaranties to Lender (such guaranty, the "Fourth Borrower Guaranty") the payment when due, by stated maturity, acceleration or otherwise, of each of the First Borrower Note, the Second Borrower Note, the Third Borrower Note, the Fifth Borrower Note and the Sixth Borrower Note. The Fourth Borrower Guaranty as set forth herein is a guaranty of payment and not of collection. Any indebtedness of First Borrower, Second

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Borrower, Third Borrower, Fifth Borrower or Sixth Borrower to Fourth Borrower now or hereafter existing, together with any interest thereon, shall be, and such indebtedness is hereby, deferred, postponed and subordinated to the Fourth Borrower Guaranty;

(e) Fifth Borrower hereby irrevocably, absolutely and unconditionally guaranties to Lender (such guaranty, the "Fifth Borrower Guaranty") the payment when due, by stated maturity, acceleration or otherwise, of each of the First Borrower Note, the Second Borrower Note, the Third Borrower Note, the Fourth Borrower Note and the Sixth Borrower Note. The Fifth Borrower Guaranty as set forth herein is a guaranty of payment and not of collection. Any indebtedness of First Borrower, Second Borrower, Third Borrower, Fourth Borrower or Sixth Borrower to Fifth Borrower now or hereafter existing, together with any interest thereon, shall be, and such indebtedness is hereby, deferred, postponed and subordinated to the Fifth Borrower Guaranty;

(f) Sixth Borrower hereby irrevocably, absolutely and unconditionally guaranties to Lender (such guaranty, the "Sixth Borrower Guaranty") the payment when due, by stated maturity, acceleration or otherwise, of each of the First Borrower Note, the Second Borrower Note, the Third Borrower Note, the Fourth Borrower Note and the Fifth Borrower Note. The Sixth Borrower Guaranty as set forth herein is a guaranty of payment and not of collection. Any indebtedness of First Borrower, Second Borrower, Third Borrower, Fourth Borrower or Fifth Borrower to Sixth Borrower now or hereafter existing, together with any interest thereon, shall be, and such indebtedness is hereby, deferred, postponed and subordinated to the Sixth Borrower Guaranty.

(g) Nothing set forth in this Agreement shall change the limited recourse nature of the Loans as set forth in Article 11 of each of the promissory notes evidencing the Loans, except that each of the Loans shall be enforceable against the respective interests of the Borrowing Parties in any one or more of the Properties, as determined in Lender's sole discretion.

2. Cross-Default and Cross-Collateralization. The First Borrower Loan Documents, the Second Borrower Loan Documents, the Third Borrower Loan Documents, the Fourth Borrower Loan Documents, the Fifth Borrower Loan Documents and the Sixth Borrower Loan Documents are hereby amended and modified (such amendment and modification, a "Cross-Collateralization") as follows:

(a) an Event of Default under the First Borrower Note, the First Borrower Security Instrument or any of the other First Borrower Loan Documents (as the term "Event of Default" is defined therein) shall constitute an Event of Default under the Second Borrower Note, the Second Borrower Security Instrument, the other Second Borrower Loan Documents, the Third Borrower Note, the Third Borrower Security Instrument, the other Third Borrower Loan Documents, the Fourth Borrower Note, the Fourth Borrower Security Instrument, the other Fourth Borrower Loan Documents, the

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Fifth Borrower Note, the Fifth Borrower Security Instrument, the other Fifth Borrower Loan Documents, the Sixth Borrower Note, the Sixth Borrower Security Instrument and the other Sixth Borrower Loan Documents (as the term "Event of Default" is defined therein);

(b) an Event of Default under the Second Borrower Note, the Second Borrower Security Instrument or any of the other Second Borrower Loan Documents (as the term "Event of Default" is defined therein) shall constitute an Event of Default under the First Borrower Note, the First Borrower Security Instrument, the other First Borrower Loan Documents, the Third Borrower Note, the Third Borrower Security Instrument, the other Third Borrower Loan Documents, the Fourth Borrower Note, the Fourth Borrower Security Instrument, the other Fourth Borrower Loan Documents, the Fifth Borrower Note, the Fifth Borrower Security Instrument, the other Fifth Borrower Loan Documents, the Sixth Borrower Note, the Sixth Borrower Security Instrument and the other Sixth Borrower Loan Documents (as the term "Event of Default" is defined therein);

(c) an Event of Default under the Third Borrower Note, the Third Borrower Security Instrument or any of the other Third Borrower Loan Documents (as the term "Event of Default" is defined therein) shall constitute an Event of Default under the First Borrower Note, the First Borrower Security Instrument, the other First Borrower Loan Documents, the Second Borrower Note, the Second Borrower Security Instrument, the other Second Borrower Loan Documents, the Fourth Borrower Note, the Fourth Borrower Security Instrument, the other Fourth Borrower Loan Documents, the Fifth Borrower Note, the Fifth Borrower Security Instrument, the other Fifth Borrower Loan Documents, the Sixth Borrower Note, the Sixth Borrower Security Instrument and the other Sixth Borrower Loan Documents (as the term "Event of Default" is defined therein);

(d) an Event of Default under the Fourth Borrower Note, the Fourth Borrower Security Instrument or any of the other Fourth Borrower Loan Documents (as the term "Event of Default" is defined therein) shall constitute an Event of Default under the First Borrower Note, the First Borrower Security Instrument, the other First Borrower Loan Documents, the Second Borrower Note, the Second Borrower Security Instrument, the other Second Borrower Loan Documents, the Third Borrower Note, the Third Borrower Security Instrument, the other Third Borrower Loan Documents, the Fifth Borrower Note, the Fifth Borrower Security Instrument, the other Fifth Borrower Loan Documents, the Sixth Borrower Note, the Sixth Borrower Security Instrument and the other Sixth Borrower Loan Documents (as the term "Event of Default" is defined therein);

(e) an Event of Default under the Fifth Borrower Note, the Fifth Borrower Security Instrument or any of the other Fifth Borrower Loan Documents (as the term "Event of Default" is defined therein) shall constitute an Event of Default under the First Borrower Note, the First Borrower Security Instrument, the other First

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Borrower Loan Documents, the Second Borrower Note, the Second Borrower Security Instrument, the other Second Borrower Loan Documents, the Third Borrower Note, the Third Borrower Security Instrument, the other Third Borrower Loan Documents, the Fourth Borrower Note, the Fourth Borrower Security Instrument, the other Fourth Borrower Loan Documents, the Sixth Borrower Note, the Sixth Borrower Security Instrument and the other Sixth Borrower Loan Documents (as the term "Event of Default" is defined therein);

(f) an Event of Default under the Sixth Borrower Note, the Sixth Borrower Security Instrument or any of the other Sixth Borrower Loan Documents (as the term "Event of Default" is defined therein) shall constitute an Event of Default under the First Borrower Note, the First Borrower Security Instrument, the other First Borrower Loan Documents, the Second Borrower Note, the Second Borrower Security Instrument, the other Second Borrower Loan Documents, the Third Borrower Note, the Third Borrower Security Instrument, the other Third Borrower Loan Documents, the Fourth Borrower Note, the Fourth Borrower Security Instrument, the other Fourth Borrower Loan Documents, the Fifth Borrower Note, the Fifth Borrower Security Instrument and the other Fifth Borrower Loan Documents (as the term "Event of Default" is defined therein);

(g) the First Borrower Security Instrument and all of the other First Borrower Loan Documents securing or guaranteeing the First Borrower Note and the obligations of First Borrower under the other First Borrower Loan Documents (collectively, the "First Borrower Security Documents") also shall secure and guaranty the First Borrower Guaranty;

(h) the Second Borrower Security Instrument and all of the other Second Borrower Loan Documents securing or guaranteeing the Second Borrower Note and the obligations of Second Borrower under the other Second Borrower Loan Documents (collectively, the "Second Borrower Security Documents") also shall secure and guaranty the Second Borrower Guaranty;

(i) the Third Borrower Security Instrument and all of the other Third Borrower Loan Documents securing or guaranteeing the Third Borrower Note and the obligations of Third Borrower under the other Third Borrower Loan Documents (collectively, the "Third Borrower Security Documents") also shall secure and guaranty the Third Borrower Guaranty;

(j) the Fourth Borrower Security Instrument and all of the other Fourth Borrower Loan Documents securing or guaranteeing the Fourth Borrower Note and the obligations of Fourth Borrower under the other Fourth Borrower Loan Documents (collectively, the "Fourth Borrower Security Documents") also shall secure and guaranty the Fourth Borrower Guaranty;

(k) the Fifth Borrower Security Instrument and all of the other Fifth Borrower Loan Documents securing or guaranteeing the Fifth Borrower Note and

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the obligations of Fifth Borrower under the other Fifth Borrower Loan Documents (collectively, the "Fifth Borrower Security Documents") also shall secure and guaranty the Fifth Borrower Guaranty;

(l) the Sixth Borrower Security Instrument and all of the other Sixth Borrower Loan Documents securing or guaranteeing the Sixth Borrower Note and the obligations of Sixth Borrower under the other Sixth Borrower Loan Documents (collectively, the "Sixth Borrower Security Documents") also shall secure and guaranty the Sixth Borrower Guaranty; and

(m) the aggregate principal amount secured by each of the First Borrower Security Instrument and the other First Borrower Security Documents, the Second Borrower Security Instrument and the other Second Borrower Security Documents, the Third Borrower Security Instrument and the other Third Borrower Security Documents, the Fourth Borrower Security Instrument and the other Fourth Borrower Security Documents, the Fifth Borrower Security Instrument and the other Fifth Borrower Security Documents and the Sixth Borrower Security Instrument and the other Sixth Borrower Security Documents, shall be TWENTY-ONE MILLION FOUR HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$21,485,000).

3. Contribution.

(a) Each of the Borrowers hereby acknowledges and agrees that, due to the fact that the Loans are hereby cross-defaulted and cross-collateralized, each of the Borrowers has a direct and material interest in preventing the occurrence of an Event of Default under any of the Loan Documents (as the term "Event of Default" is defined therein). Accordingly, each of the Borrowers is willing to commit to make or receive loans (each an "Intra-Borrower Loan", and collectively, the "Intra-Borrower Loans") in order to provide for the payment of all amounts due under the Loan Documents and, in so doing, to avoid an Event of Default thereunder. In the event and to the extent that the proceeds from the Property of any Borrower (the "Creditor") are applied to any payments due with respect to the Property owned by another Borrower (the "Debtor"), then the Creditor shall be deemed to have made an Intra-Borrower Loan to the Debtor in the amount of such proceeds so applied (the "Intra-Borrower Loan Amount"). Such Intra-Borrower Loan shall be deemed to be made on a non-recourse basis and shall be repaid out of the future proceeds of the Property owned by the Debtor, together with interest thereon at a rate to be agreed upon from time to time among the Borrowers.

(b) All Intra-Borrower Loans deemed to be made under this Agreement shall be evidenced by this Agreement, shall be an obligation of the Debtor which owes such Intra-Borrower Loan solely by its execution of this Agreement and shall not be evidenced by any separate instrument. Each Borrower hereby waives presentment, notice of dishonor, protest and notice of non-payment or non-performance with respect to each Intra-Borrower Loan for which it is liable under this Agreement. Interest and principal on Intra-Borrower Loans shall be paid solely out of net proceeds from the

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Property owned by the Debtor and shall be subject in all cases to the terms and conditions of the Loan Documents, and the payments from such sources shall be the sole and exclusive remedy available to any Creditor. Each such payment of principal or interest on Intra-Borrower Loans shall be subordinate and subject to the prior payment of all amounts payable under the Loan Documents. To the extent such sources of payment are insufficient to pay interest and principal on any Intra-Borrower Loan, the Creditor owed such Intra-Borrower Loan shall not take any legal action against the Debtor which owes such Intra-Borrower Loan for such amounts or lien on or security interest in any of the assets of such Debtor until the Loans and all other amounts owing under the Loan Documents have been paid in full, and no further or additional recourse shall be available against the Debtor. All payments pursuant to Intra-Borrower Loans shall be made on a net basis. All payments received on account of any Intra-Borrower Loan under this Agreement shall be credited first to interest, then to principal. Accrued but unpaid interest shall not be compounded.

4. Documents to be Delivered to Lender. On the date hereof, the Borrowing Parties shall cause to be delivered to Lender:

(a) endorsements to the title insurance policies issued at the Closings insuring the liens of the First Borrower Security Instrument, the Second Borrower Security Instrument, the Third Borrower Security Instrument, the Fourth Borrower Security Instrument, the Fifth Borrower Security Instrument and the Sixth Borrower Security Instrument, which endorsements shall be in form and substance satisfactory to Lender and shall (i) provide for "tie-in" coverage under such policies up to the aggregate outstanding principal amount of the First Borrower Note, the Second Borrower Note, the Third Borrower Note, the Fourth Borrower Note, the Fifth Borrower Note and the Sixth Borrower Note, (ii) include "First Loss" and "Last Dollar" endorsements, if available for title insurance policies issued in Illinois and Indiana; (iii) redate such policies as of the Effective Date; and (iv) confirm the absence of any new exceptions or encumbrances, unless previously approved by Lender in writing; and

(b) such other documents and instruments as Lender may require.

5. Release of Properties.

(a) Notwithstanding any provision contained in any of the Loan Documents to the contrary, each of the Borrowing Parties agrees that none of the Properties may be released from the liens of any of the Loan Documents or the liens created under this Agreement except in accordance with this Section. At any time following the expiration of an eighteen (18) month period following the first day of the first calendar month after the date of this Agreement (or the date of this Agreement, if it is dated the first day of a calendar month), the Borrowing Parties may cause one or more of the Properties (each, a "Released Property") to be released from the liens created

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hereby and by the related Loan Documents, but only upon the satisfaction of all of the following conditions:

(i) Lender shall have received from the applicable Borrower at least thirty (30) days' prior written notice of the date proposed for such release (the "Release Date") and the identification of the Released Property;

(ii) no Event of Default under any of the Loan Documents shall have occurred and be continuing as of the date of such notice and the Release Date;

(iii) the Borrowing Parties shall have paid to Lender (i) one hundred twenty-five percent (125%) of the principal balance of the Loan relating to the Released Property, (ii) all accrued and unpaid interest and all other sums due under the Note and other Loan Documents relating to the Released Property, and (iii) the Prepayment Consideration (as defined in the Note relating to the Released Property) and all other charges payable in connection with a prepayment of such Note (such payment, collectively the "Release Price"); it being understood and agreed that any excess of the Release Price above the amounts required to be paid in connection with a prepayment of the Note relating to the Released Property shall be applied to reduce the principal amount of one or more of the remaining Loans to such amount and allocation as Lender may elect in its sole discretion, but, as to the first Released Property only, no further Prepayment Consideration (as defined in the applicable Note) shall be payable with respect to such application, however, the Prepayment Consideration (as defined in the applicable Note) shall be payable with respect to the release of any subsequent Released Property; and

(iv) Borrower shall have paid all of Lender's costs and expenses, including, without limitation, reasonable attorneys' fees and expenses, in connection with the release of the Released Property.

(b) Upon Lender's acceptance and application of the Release Price and the satisfaction of the other conditions set forth in subparagraph (a) above for the release of the Released Property, the security interests and liens of Lender under this Agreement and the Loan Documents relating to the Released Property shall be released from the Released Property, and Lender will execute and deliver any agreements reasonably requested by the Borrowing Parties either to release and terminate or to assign, at the Borrowing Parties' option, the lien of the related Security Instrument as to the Released Property; provided, however, that such release and termination or assignment shall be without recourse to Lender and made without any representation or warranty. Upon the release and termination or assignment of Lender's security interests and liens under the Security Instrument and the other Loan Documents relating to the Released Property, all references in this Agreement relating to the Released Property shall be deemed deleted.

6. Costs and Expenses. The Borrowing Parties, jointly and severally, shall be responsible for and shall pay, all reasonable costs and expenses

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incurred by Lender in connection with a Cross-Collateralization and a release of any Property from a Cross-Collateralization, including, without limitation, reasonable attorneys' fees and expenses, title insurance search fees and premiums, filing and recording fees and taxes, if any.

7. **Default.** Any default by any of the Borrowing Parties in fulfilling any of its obligations hereunder shall constitute an Event of Default under each of the First Borrower Loan Documents, the Second Borrower Loan Documents, the Third Borrower Loan Documents, the Fourth Borrower Loan Documents, the Fifth Borrower Loan Documents and the Sixth Borrower Loan Documents (as the term "Event of Default" is defined therein).

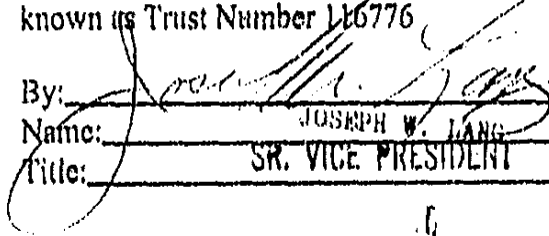
8. **Further Assurances.** The Borrowing Parties agree to execute and deliver any further documents and instruments as Lender may require to effectuate the Cross-Collateralization contemplated hereby. The Borrowing Parties further acknowledge and agree that Lender may require that this Agreement be amended at any time and from time to time to remove any of the Properties from the Cross-Collateralization, and each agrees to execute and deliver such documents as Lender may require in connection therewith.

9. **Documentary Protocols.** This Agreement is governed by the Documentary Protocols set forth on Appendix I to each of the First Borrower Security Instrument, the Second Borrower Security Instrument, the Third Borrower Security Instrument, the Fourth Borrower Security Instrument, the Fifth Borrower Security Instrument and the Sixth Borrower Instrument, which are incorporated herein as if fully set forth herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

FIRST BORROWER:

LA SALLE NATIONAL BANK, not personally but solely as Trustee under Trust Agreement dated November 21, 1991 and known as Trust Number 116776

By: 
Name: JOSEPH W. LANG
Title: SR. VICE PRESIDENT

[SIGNATURES CONTINUED ON NEXT PAGE]

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SECOND BORROWER:

LA SALLE NATIONAL BANK, not personally but solely as Trustee under Trust Agreement dated August 21, 1997 and known as Trust Number 121206

By: *Joseph W. Tang*
Name: JOSEPH W. TANG
Title: SR. VICE PRESIDENT

THIRD BORROWER:

LA SALLE NATIONAL BANK, not personally but solely as Trustee under Trust Agreement dated August 21, 1997 and known as Trust Number 121206

By: *Joseph W. Tang*
Name: JOSEPH W. TANG
Title: SR. VICE PRESIDENT

FOURTH BORROWER:

LA SALLE NATIONAL BANK, not personally but solely as Trustee under Trust Agreement dated August 21, 1997 and known as Trust Number 121204

By: *Joseph W. Tang*
Name: JOSEPH W. TANG
Title: SR. VICE PRESIDENT

FIFTH BORROWER:

LA SALLE NATIONAL BANK, not personally but solely as Trustee under Trust Agreement dated August 21, 1997 and known as Trust Number 121205

By: *Joseph W. Tang*
Name: JOSEPH W. TANG
Title: SR. VICE PRESIDENT

This instrument is executed by LA SALLE NATIONAL BANK, not personally but solely as Trustee, as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee. All the terms, provisions, stipulations, covenants and conditions to be performed by LA SALLE NATIONAL BANK are undertaken by it solely as Trustee, as aforesaid, and not individually and all statements, covenants and/or statements shall be asserted or be enforceable against LA SALLE NATIONAL BANK by reason of any of the terms, provisions, stipulations, covenants and/or statements contained in this instrument.

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SIXTH BORROWER:

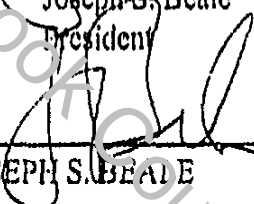
ADLAKE BUILDING L.L.C., an Indiana limited liability company

By: 
Joseph S. Beale, Manager

FIRST INDEMNITOR:

HAWTHORN BALMORAL LIMITED PARTNERSHIP, an Illinois limited partnership


By: J. S. B. CORP.
By: 
Joseph S. Beale
Its. President


JOSEPH S. BEALE

SECOND INDEMNITOR:

SESAME BUILDINGS L.L.C. an Illinois limited liability company

By: 
Joseph S. Beale, Manager


JOSEPH S. BEALE

[SIGNATURES CONTINUED ON NEXT PAGE]

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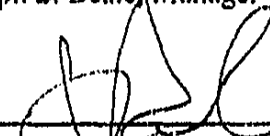
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THIRD INDEMNITOR:

SESAME BUILDINGS L.L.C., an Illinois limited liability company

By: 
Joseph S. Beale, Manager


JOSEPH S. BEALE

FOURTH INDEMNITOR:


CENTRAL ENTERPRISES, an Illinois general partnership

By: HAWTHORN CENTRAL HOLDINGS LIMITED PARTNERSHIP, an Illinois limited partnership

By: J. S. B. CORP., an Illinois corporation

By: 
Joseph S. Beale


Its: President


JOSEPH S. BEALE

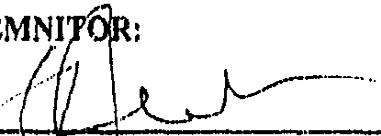
FIFTH INDEMNITOR:

EUCLID ASSOCIATES I L.L.C., an Illinois limited liability company

By: 
Joseph S. Beale, Manager


JOSEPH S. BEALE

SIXTH INDEMNITOR:


JOSEPH S. BEALE

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

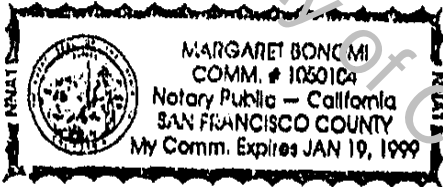
County of: San Francisco

On September 4, 1997 before me, Margaret Bonomi
Date Name, Title of Officer-e.g., Jane Doe, Notary Public

personally appeared Joseph S. Bonio
Name of Signor(s)

personally known to me OR

proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



WITNESS my hand and official seal

Margaret Bonomi
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signor(s) Other Than Named Above _____

Capacity(ies) Claimed by Signor(s)

Signor's Name _____

- Individual
- Corporate Officer
- Title(s) _____
- Partner Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other _____

Signor is Representing _____



Signor's Name _____

- Individual
- Corporate Officer
- Title(s) _____
- Partner Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other _____

Signor is Representing _____



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EXHIBIT A-1

Description of the First Borrower Property

(9915 West Bryn Mawr, Rosemont, Illinois)

THE NORTH 410 FEET OF LOT 3 (WHICH LOT 3 INCLUDES THE PORTION THEREOF LYING IN BRYN MAWR AVENUE) OF FREDERICK JOSS' DIVISION OF THAT PART OF THE NORTH 1/2 OF THE NORTHEAST 1/4 OF SECTION 9, TOWNSHIP 40 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE RIGHT OF WAY OF THE MINNEAPOLIS, ST. PAUL AND SAULT STE. MARIE RAILROAD (EXCEPT THAT PORTION OF SAID LOT 3 WHICH LIES WEST OF A LINE 40 FEET EASTERLY OF, PARALLEL WITH AND MEASURED AT RIGHT ANGLES TO THE EASTERLY RIGHT OF WAY LINE OF THE MINNEAPOLIS, ST. PAUL AND SAULT STE. MARIE RAILROAD) AND (EXCEPT THE EAST 33 FEET OF SAID LOT 3) AND (EXCEPT THE NORTH 33 FEET MEASURED AT RIGHT ANGLES TO THE NORTH LINE THEREOF OF SAID LOT 3) IN COOK COUNTY, ILLINOIS.

P.F.N. 12-09-200-060

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EXHIBIT A-2

Description of the Second Borrower Property

LOT 3 IN HAWTHORN CENTER FOR INDUSTRY, A SUBDIVISION OF PART OF THE NORTHWEST FRACTIONAL ¼ OF SECTION 19, TOWNSHIP 40 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED APRIL 11, 1974 AS DOCUMENT 22682660 IN COOK COUNTY, ILLINOIS.

Property address: 1055 - 1065 Sesame Street, Bensenville, IL

P.I.N. 12-19-101-091 0000

UNOFFICIAL COPY

Property of Cook County Clerk's Office

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EXHIBIT A-3

Description of the Third Borrower Property

LOT 4 IN HAWTHORN CENTER FOR INDUSTRY, A SUBDIVISION OF PART OF THE NORTHWEST FRACTIONAL ¼ OF SECTION 19, TOWNSHIP 40 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED APRIL 11, 1974 AS DOCUMENT 22682660 IN COOK COUNTY, ILLINOIS.

Property address: 1077 - 1081 Sesame Street, Bensenville, IL

P.D.N. 12-19-100-092-0000.

Property of Cook County Clerk's Office

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EXHIBIT A-4

Description of the Fourth Borrower Property

(3100 S. Central Avenue, Cicero, Illinois)

PARCEL 1:

THAT PART OF THE EAST 1/2 OF THE EAST 1/2 OF THE NORTH EAST 1/4 OF SECTION 32, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF THE RIGHT OF WAY OF THE ILLINOIS CENTRAL RAILROAD, IN COOK COUNTY, ILLINOIS. EXCEPTING THEREFROM THAT PART DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE NORTHEAST 1/4 OF SECTION 32 AFORESAID; THENCE SOUTH ALONG THE EAST LINE THEREOF 148.08 FEET; THENCE WEST AT RIGHT ANGLES TO SAID EAST LINE, 68.23 FEET; THENCE SOUTH PARALLEL TO SAID EAST LINE, 19.52 FEET TO THE NORTH FACE OF A 2 STORY BRICK BUILDING; THENCE WEST ALONG SAID NORTH FACE, 68.85 FEET TO THE NORTHWEST CORNER OF SAID 2 STORY BRICK BUILDING, BEING ALSO AN EAST FACE OF A 3 STORY BRICK BUILDING; THENCE SOUTH ALONG SAID EAST FACE, 2.24 FEET TO THE CENTERLINE OF A PARTY WALL BETWEEN SAID 3 STORY BRICK BUILDING TO THE NORTH AND A 1 STORY BRICK BUILDING TO THE SOUTH; THENCE WEST ALONG SAID CENTERLINE OF PARTY WALL, 120.14 FEET TO THE WEST END THEREOF, BEING A POINT ON BOTH THE WEST FACE OF THE 3 STORY BRICK BUILDING AND ON THE NORTH FACE OF THE 1 STORY BRICK BUILDING TO WEST; THENCE CONTINUING WEST ALONG SAID NORTH FACE OF THE 1 STORY BUILDING, 149.83 FEET; THENCE NORTH AT RIGHT ANGLES TO THE LAST DESCRIBED COURSE, 171.32 FEET TO THE NORTH LINE OF THE NORTHEAST 1/4 OF SECTION 32; THENCE EASTERLY ALONG SAID NORTH LINE, 407.08 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

THE WEST 340 FEET OF BLOCK 5 IN BALDWIN'S SUBDIVISION OF THE NORTH WEST 1/4 OF SECTION 33, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOTS 27 TO 33 INCLUSIVE, IN COLUMBUS PARK, A SUBDIVISION OF BLOCK 4 IN BALDWIN'S SUBDIVISION OF THE NORTHWEST 1/4 OF DECTION 33, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 19, 1925 AS DOCUMENT 8916225, IN COOK COUNTY, ILLINOIS.

pin #1

16-32-203-036
16-33-100-014
16-33-100-015
16-33-100-016
16-33-100-017
16-33-100-01A

16-33-100-019
16-33-100-020
16-33-10A-003

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EXHIBIT A-5

Description of the Fifth Borrower Property (1803 Hicks Road, Rolling Meadows, Illinois)

THAT PART OF SECTION 26, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF LOT 73 IN PLUM GROVE COUNTRYSIDE UNIT NO. 4 BEING A SUBDIVISION OF PART OF SECTION 26, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS; THENCE NORTH ALONG AN EAST LINE OF SAID UNIT NO. 4 FOR 260 FEET FOR THE POINT OF BEGINNING; THENCE NORTH ALONG A CONTINUATION OF SAID EAST LINE OF SAID UNIT NO. 4 AND THE EAST LINE OF LOT 20 IN PLUM

GROVE COUNTRYSIDE UNIT NO. 1 BEING A SUBDIVISION OF PART OF SECTION 26, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS FOR 671.59 FEET TO THE SOUTH LINE OF LINCOLN AVENUE IN SAID UNIT NO. 1; THENCE EAST ALONG THE SAID SOUTH LINE OF LINCOLN AVENUE FOR 400 FEET TO THE WESTERLY RIGHT OF WAY LINE OF HICKS ROAD AS DESCRIBED IN DOCUMENT NO. 11069336 AS RECORDED IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS, THENCE SOUTHERLY ALONG SAID WESTERLY RIGHT OF WAY LINE FOR 781.50 FEET TO A POINT IN SAID WESTERLY RIGHT OF WAY LINE THAT IS 150 FEET NORTHERLY OF THE NORTH LINE OF EUCLID AVENUE IN THE AFORESAID PLUM GROVE COUNTRYSIDE UNIT NO. 4 (AS MEASURED ALONG SAID WESTERLY RIGHT OF WAY LINE); THENCE WEST 230 FEET ALONG A LINE PARALLEL TO THE SAID NORTH LINE OF EUCLID AVENUE; THENCE NORTH ALONG A LINE PERPENDICULAR TO THE SAID NORTH LINE OF EUCLID AVENUE FOR 110.02 FEET; THENCE WEST 171.06 FEET TO THE POINT OF BEGINNING ALL IN COOK COUNTY, ILLINOIS.

pin # 02-26-109-032

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EXHIBIT A-6

Description of the Sixth Borrower Property (940 Michigan Street, Elkhart, Indiana)

Part of the Northeast Quarter (NE ¼) of Section 6, and part of the Northwest Quarter (NW ¼) of Section 5 all of Township 37 North, Range 5 East, situate in the City of Elkhart, County of Elkhart, State of Indiana and being more particularly described as follows:

Beginning at a point where the East line of Michigan Street is intersected by the South line of Mishawaka Street, as the said Streets are known and dedicated in the said City of Elkhart; thence Eastwardly along the South line of said Mishawaka Street a distance of Seven Hundred Sixty-five and Forty-three Hundredths (765.43) feet to a point on the west line of Edwardsburg Avenue, as said Edwardsburg Avenue is known and dedicated in the City of Elkhart; thence Southeasterly along the West line of said Edwardsburg Avenue a distance of Two Hundred One and Ninety-eight Hundredths (201.98) feet to a point on the North right-of-way line of the Penn Central Railroad (formerly Elkhart & Western Railroad Company); thence Southwestwardly along the North line of said Penn Central Railroad a distance of Eight Hundred Seventy-seven and Seventy-five Hundredths (877.75) feet to a point on the East line of said Michigan Street; thence Northwardly along the East line of said Michigan Street a distance of Two Hundred Fifty-eight and Fifty-eight Hundredths (258.58) feet to the place of beginning of this description.
SUBJECT to public highways.

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