

This document prepared by/
After recording return to:

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Suite 1700
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**MORTGAGE, SECURITY AGREEMENT
AND FINANCING STATEMENT**

THIS MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT (the "Mortgage") is made as of October 23, 1997, by and between, FLAIR COMMUNICATIONS AGENCY, INC., an Illinois Corporation (the "Mortgagor"), whose mailing address is c/o Robert Walz, 223 W. Erie Street, Chicago, Illinois 60613 and AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association, (the "Mortgagee"), whose mailing address is 33 North LaSalle Street, Chicago, Illinois 60690, Attention: Patrick J. Fravel.

WITNESSETH:

WHEREAS the Mortgagor is justly indebted to the Mortgagee in the principal sum of NINE HUNDRED NINETY THOUSAND AND NO/100 DOLLARS (\$990,000.00) (the "Loan") evidenced by one certain MORTGAGE NOTE of the Mortgagor of even date herewith (the "Note"), whereby the Mortgagor promises to pay the said principal sum, late charges and interest (collectively, the "Indebtedness") at the rate or rates and in installments, all as provided in the Note, the terms of which are hereby incorporated herein by this reference. The final payment of principal and interest, if not sooner paid, shall be due on September 30, 1998 (the "Maturity Date"). All such payments on account of the Indebtedness secured hereby shall be applied first to interest on the unpaid principal balance, second to any other sums due thereunder, third to all other advances and sums secured hereby, and the remainder to principal, all of said principal and interest being made payable at the office of Mortgagee or such place as the holder of the Note may from time to time in writing appoint.

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NOW THEREFORE, the Mortgagor, to secure the payment of said principal sum of money and said interest and late charges and prepayment premiums in accordance with the terms, provisions and limitations of this Mortgage and of the Note, and the performance and the covenants and agreements herein contained by the Mortgagor to be performed, and also in consideration of the sum of ONE DOLLAR (\$1.00) in hand paid, the receipt whereof is hereby acknowledged, does by these presents MORTGAGE, GRANT, REMISE, RELEASE, ALIEN AND CONVEY unto the Mortgagee and its successors and assigns, the following described parcel of real estate and all of its present and hereafter-acquired estate, right, title and interest therein, situated, lying and being in the County of Cook and State of Illinois to-wit:

SEE LEGAL DESCRIPTION ATTACHED HERETO
AND MADE A PART HEREOF AS EXHIBIT "A"

which, with the property hereinafter described, is collectively referred to herein as the "Premises";

TOGETHER with all improvements, tenements, reversions, remainders, easements, fixtures and appurtenances now or hereafter thereto belonging, and all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily); any tenant security deposits, utility deposits and insurance premium rebates to which Mortgagor may be entitled or which Mortgagor may be holding; and all shades, awnings, venetian blinds, screens, screen doors, storm doors and windows, stoves and ranges, refrigerators, curtain fixtures, partitions and attached floor covering now or hereafter therein or thereon, and all fixtures, apparatus, equipment and articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, sprinkler protection, waste removal, refrigeration and ventilation (whether single units or centrally controlled); all rents, issues, profits, income and other benefits now or hereafter arising from or in respect to the Premises, improvements or appurtenances (the "Rents"), it being intended that this granting clause shall constitute an absolute and present assignment of the Rents; any and all leases, licenses and other occupancy agreements now or hereafter affecting the Premises; including (without restricting the foregoing): all fixtures, apparatus, equipment and articles (other than trade fixtures used in the operation of a business and other than inventories held for sale) which relate to the use, occupancy, and enjoyment of the Premises, it being understood that the enumeration of any specific articles of property shall in no way exclude or be held to exclude any items of property not specifically mentioned. All of the land, estate and property hereinabove described, real, personal and mixed, whether affixed or annexed or not (except where otherwise hereinabove specified) and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared (to the maximum extent permitted by law) to form part and parcel of the real estate and to be appropriated to the use of the real estate, and shall be, for the purposes of this Mortgage, deemed to be real estate and conveyed and mortgaged hereby.

TO HAVE AND TO HOLD the Premises unto the Mortgagee and its successor and assigns forever, for the purposes and uses herein set forth.

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IT IS FURTHER UNDERSTOOD AND AGREED THAT:

Maintenance, Repair and Restoration of Improvements,
Payment of Prior Liens, etc.

1. Mortgagor shall or shall cause the following to be performed: (a) promptly repair, restore or rebuild any buildings and other improvements now or hereafter on the Premises which may become damaged or destroyed to substantially the same character as prior to such damage or destruction, without regard to the availability or adequacy of any casualty insurance proceeds or eminent domain awards; (b) keep the Premises constantly in good condition and repair, ordinary wear and tear excepted, without waste; (c) keep the Premises free from mechanics' liens or other liens or claims for lien not expressly subordinated to the lien hereof (collectively called "Liens"), subject, however, to the rights of the Mortgagor set forth in Paragraph 1a below; (d) pay before delinquent any indebtedness which may be secured by a lien or charge on the Premises on a parity with or superior to the lien hereof (no such lien to be permitted hereunder), and upon request exhibit satisfactory evidence of the discharge of such lien to Mortgagee; (e) complete within a reasonable time any building(s) or other improvement(s) now or at any time in process of erection upon the Premises; (f) comply with federal, state and local requirements of law, regulations, ordinances, orders and judgments and all covenants, easements and restrictions of record with respect to the Premises and the use thereof; (g) make no alterations in an amount in excess of the sum of \$50,000.00 in or to the Premises without Mortgagee's prior written consent; which consent shall not be unreasonably withheld; (h) suffer or permit no change in the general nature of the occupancy of the Premises without Mortgagee's prior written consent, which consent shall not be unreasonably withheld; (i) observe and comply with all conditions and requirements (if any) necessary to preserve and extend all rights, easements, licenses, permits (including without limitation zoning variations and any non-conforming uses and structures), privileges, franchises and concessions applicable to the Premises or contracted for in connection with any present or future use of the Premises; (j) not commence any excavation, construction, earth work, or site work, the cost of which is in excess of \$50,000.00, without Mortgagee's prior written consent, not to be unreasonably withheld; and (k) pay each item of indebtedness secured by this Mortgage when due according to the terms hereof and of the Note. As used in this Paragraph 1 and elsewhere in this Mortgage, the term "Indebtedness" means and includes the unpaid principal sum evidenced by the Note, together with all interest, additional interest, late charges, and all other sums at any time secured by this Mortgage. With respect to Mortgagor's covenant to repair, restore or rebuild as set forth in subparagraph (a) above, Mortgagee agrees that casualty insurance proceeds shall be made available to rebuild, repair or restore the Premises in the event (i) the insurance proceeds are sufficient to repair, rebuild or restore the Premises, or the Mortgagor provides the necessary additional proceeds, prior to commencement of the repair, rebuilding or restoration of the Premises; (ii) the Premises are reconstructed in accordance with Plans and Specifications reasonably approved by Mortgagee and pursuant to such disbursement procedures as are reasonably required by Mortgagee; and (iii) Mortgagee is satisfied that the repair, rebuilding or restoration of the Premises will be completed prior to the Maturity Date; provided, however, in the event of a substantial casualty loss, the Mortgagor shall have the option to payoff the entire Indebtedness.

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Right to Contest.

1a. Anything in Paragraphs 1(c) and (d) of this Mortgage to the contrary notwithstanding, Mortgagor may, in good faith and with reasonable diligence, contest the validity or amount of any Lien not expressly subordinated to the lien hereof, and defer payment and discharge thereof during the pending of such contest, provided: (i) that such contest shall have the effect of preventing the sale or forfeiture of the Premises or any part thereof, or any interest therein, to satisfy such Lien; (ii) within ten (10) days after Mortgagor has been notified of the assertion of such Lien, Mortgagor shall have notified Mortgagee in writing of Mortgagor's intention to contest such Lien; and (iii) that Mortgagor shall have deposited with Mortgagee at such place as Mortgagee may from time to time in writing appoint a sum of money which shall be sufficient in the judgment of Mortgagee to pay in full such Lien and all interest which might become due thereon, and shall keep on deposit an amount so sufficient at all times, increasing such amount to cover additional interest whenever, in the judgment of Mortgagee, such increase is advisable; or in the alternative bond over such lien(s) with a title insurance company reasonable acceptable to Mortgagee. Such deposits are to be held without any allowance of interest. If Mortgagor shall fail to prosecute such contest with reasonable diligence or shall fail to pay the amount of the Lien plus any interest finally determined to be due upon the conclusion of such contest, to the extent such amount exceeds the amount which Mortgagee will pay as provided below, or shall fail to maintain sufficient funds on deposit as hereinabove provided, Mortgagee may, at its option, apply the money so deposited in payment of or on account of such Lien, or that part thereof then unpaid, together with all interest thereon. If the amount of money so deposited shall be insufficient for the payment in full of such Lien, together with all interest thereon, Mortgagor shall forthwith, upon demand, deposit with Mortgagee a sum which, when added to the funds then on deposit, shall be sufficient to make such payment in full. Mortgagee shall, upon the final disposition of such contest, apply the money so deposited in full payment of such Lien or that part thereof then unpaid, together with all interest thereon (provided Mortgagor is not then in default hereunder) when so requested in writing by Mortgagee and when furnished by Mortgagor with sufficient funds to make such payment in full and with evidence satisfactory to Mortgagee of the amount of payment to be made.

Payment of Taxes.

2. Mortgagor shall pay all general taxes before any penalty or interest attaches, and shall pay special taxes, special assessments, water charges, sewer service charges, and all other charges against the Premises of any nature whatsoever when due, and shall, upon written request, furnish to Mortgagee duplicate receipts therefor within thirty (30) days following the date of payment. Mortgagor shall pay in full "under protest" any tax or assessment which Mortgagor may desire to contest, in the manner provided by law.

Tax and Insurance Deposits.

3. Intentionally deleted.

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Mortgagee's Interest In and Use of Tax and Insurance Deposits

4. Intentionally deleted.

Insurance.

5. Mortgagor shall cause to be kept all buildings and improvements and the Collateral (defined in Paragraph 27 below) now or hereafter situated on said Premises insured against loss or damage by fire on a so-called "All Risks" basis and against such other hazards as may be required by Mortgagee, in an amount which shall not be less than one hundred percent (100%) of the full insurable replacement cost of the Premises including without limitation of the generality of the foregoing: (a) rent loss or business interruption insurance for a period of not less than six months in an amount not less than the greater of the full rental value of the Premises (including operating costs) or the amount of principal and interest due under the Note; and (b) flood insurance whenever same is available and, in the opinion of Mortgagee, such protection is necessary. Mortgagor shall also provide insurance coverages with such limits for personal injury and death and property damage as Mortgagee may require. All policies of insurance to be furnished hereunder shall be in forms, companies and amounts reasonably satisfactory to Mortgagee, with waiver of subrogation and replacement cost endorsements and a standard non-contributory mortgagee clause attached to all policies, including a provision requiring that the coverages evidenced thereby shall not be terminated or materially modified without thirty (30) days' prior written notice to the Mortgagee. All insurance required hereunder shall name Mortgagee as an additional insured and loss payee. Mortgagor shall deliver all original policies, including additional and renewal policies or certificates evidencing same, to Mortgagee and, in the case of insurance about to expire, shall deliver renewal policies not less than thirty (30) days prior to their respective dates of expiration.

Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless Mortgagee is included thereon under a standard non-contributory mortgagee clause reasonably acceptable to Mortgagee. Mortgagor shall immediately notify Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to Mortgagee the original policy or policies of such insurance. In the event of a foreclosure of the lien of this Mortgage, or of a transfer of title to the Premises either in lieu of foreclosure or by purchase at the foreclosure sale, all interest in all insurance policies in force to the extent they relate to the Premises shall pass to Mortgagee, transferee or purchaser, as the case may be.

Within ninety (90) days following the end of each fiscal year of Mortgagor, at the request of the Mortgagee, Mortgagor agrees to furnish evidence of replacement cost, without cost to the Mortgagee, such as are regularly and ordinarily made by insurance companies to determine the then replacement cost of the building(s) and other improvements on the Premises.

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Adjustment of Losses with Insurer and Application of Proceeds of Insurance.

6. In case of loss or damage by fire or other casualty, the value of which is in excess of \$50,000.00, Mortgagee is authorized: (a) to settle and adjust any claim under insurance policies which insure against such risks subject to Mortgagor's reasonable approval; or (b) to allow Mortgagor to agree with the insurance company or companies on the amount to be paid in regard to such loss. In either case, Mortgagee is authorized to collect and receipt for any such insurance monies. Such insurance proceeds shall be made available to rebuild, repair or restore the Premises in the event (i) the aggregate of the proceeds is sufficient to rebuild, repair or restore the Premises or the Mortgagor provides the necessary additional proceeds prior to commencement of the repair, rebuilding or restoration of the Premises; (ii) the Premises are reconstructed in accordance with such Plans and Specifications as are reasonably approved by Mortgagee pursuant to such disbursement procedures as are reasonably required by Mortgagee; and (iii) Mortgagee is satisfied that the repair, rebuilding or restoration of the Premises will be completed prior to the Maturity Date; provided, however, in the event of a substantial casualty loss, the Mortgagor shall have the option to payoff the entire Indebtedness. If in the reasonable opinion of Mortgagee such insurance proceeds are not sufficient to repair, restore or rebuild the Premises, or Mortgagor fails to deposit with Mortgagee, the cash difference between the aggregate of the insurance proceeds and the cost to repair, restore or rebuild, or if the rebuilding, repair or restoration shall take in excess of six months to complete, then Mortgagee may apply the insurance proceeds to the reduction of Mortgagor's indebtedness hereunder. The buildings and other improvements shall be so repaired, restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction. If the proceeds are made available by the Mortgagee to reimburse the Mortgagor or any lessee for the cost of repair, rebuilding or restoration, any surplus, after payment of the cost of repair, rebuilding, restoration and the reasonable charges of the Disbursing Party (hereinafter defined) shall, be applied on account of the Indebtedness with any excess paid to Mortgagor. No interest shall be paid to Mortgagor on any proceeds of insurance held by the Disbursing Party.

Notwithstanding the language in the preceding paragraph, in the event of a casualty loss which results in substantial damage to the Premises and the subsequent refusal of authorities of the village or city in which the Premises are located to permit the rebuilding of the Premises, then the proceeds of insurance shall be paid to Mortgagee to reduce the Indebtedness. If in such event the aggregate of the proceeds of insurance are not sufficient to repay the Indebtedness, in such event the whole of the Indebtedness shall at once be immediately due and payable upon written notice to Mortgagor as provided in Paragraph 12 hereunder.

As used in this Paragraph 6, the term "Disbursing Party" refers to the Mortgagee and to any responsible trust company or title insurance company selected by the Mortgagee.

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Stamp Tax: Effect of Changes in Laws Regarding Taxation.

7. If, by the laws of the United State of America or of any state or subdivision thereof having jurisdiction over the Mortgagor, any tax is due or becomes due in respect of the issuance of the Note, the Mortgagor covenants and agrees to pay such tax in the manner required by any such law. The Mortgagor further covenants to reimburse the Mortgagee for any sums which Mortgagee may expend by reason of the imposition of any tax on the issuance of the Note.

7.1 In the event of the enactment, after this date, of any law of the state in which the Premises are located deducting from the value of the land for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Mortgagee's interest in the Premises, or the manner of collection of taxes so as to affect this Mortgage or the debt secured hereby or the holder thereof, then, and in any such event, the Mortgagor, upon demand by the Mortgagee, shall pay such taxes or assessments or reimburse the Mortgagee therefor; provided, however, that if in the opinion of counsel for the Mortgagee: (a) it might be unlawful to require Mortgagor to make such payment; or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law; then and in any such event, the Mortgagee may elect, by notice in writing given to the Mortgagor, to declare all of the Indebtedness to be and become due and payable sixty (60) days from the giving of such notice.

Observance of Lease Assignment.

8. As additional security for the payment of the Note and for the faithful performance of the terms and conditions contained herein, Mortgagor has assigned to the Mortgagee all of its right, title and interest as landlord in and to the leases listed on the SCHEDULE OF LEASES attached hereto as EXHIBIT "B", if any, and all future leases of the Premises. All leases of the Premises are subject to the approval of the Mortgagee as to form, content and tenant(s), which consent shall be reasonably exercise J.

Mortgagor will not without Mortgagee's prior written consent not to be unreasonably withheld: (i) execute any assignment or pledge of any rents or any leases of the Premises except an assignment or pledge securing the Indebtedness; or (ii) accept any payment of an installment of rent more than thirty (30) days before the due date thereof; or (iii) make any lease of the Premises.

Mortgagor at its sole cost and expense will: (i) at all times promptly and faithfully abide by, discharge and perform all of the covenants, conditions and agreements contained in all leases of the Premises, on the part of the landlord thereunder to be kept and performed; (ii) enforce or secure the performance of all of the covenants, conditions and agreements of such leases on the part of the tenants to be kept and performed, but Mortgagor shall not modify, amend, cancel, terminate or accept surrender of any lease without Mortgagee's prior written consent, not to be unreasonably withheld; (iii) appear in and defend any action or proceeding arising under, growing out of or in any

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manner connected with such leases or the obligations, duties or liabilities of the landlord or of any tenants thereunder; (iv) collaterally transfer and assign or cause to be separately transferred and assigned to Mortgagee, upon written request of Mortgagee, any lease or leases of the Premises heretofore or hereafter entered into, and make, execute and deliver to Mortgagee upon demand, any and all instruments required to effectuate said assignment; (v) furnish Mortgagee, within ten (10) days after a request by Mortgagee so to do, a written statement containing the names of all tenants and the terms of all leases of the Premises, including the space occupied and the rentals payable thereunder; and (vi) exercise within five (5) days of any demand therefor by Mortgagee any right to request from the tenant under any lease of the Premises a certificate with respect to the status thereof.

Nothing in this Mortgage or in any other documents relating to the loan secured hereby shall be construed to obligate Mortgagee, expressly or by implication, to perform any of the covenants of any landlord under any of the leases assigned to Mortgagee or to pay any sum or money or damages therein provided to be paid by the landlord, each and all of which covenants and payments Mortgagor agrees to perform and pay or cause to be performed and paid.

At the option of the Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in eminent domain), to any one or more leases affecting any part of the Premises, upon the execution by Mortgagee and recording or registration thereof, at any time hereafter, in the office wherein this Mortgage was registered or filed for record, of a unilateral declaration to that effect.

In the event of the enforcement by Mortgagee of any remedies provided for by law or by this Mortgage, the tenant under each lease of the Premises shall, at the option of the Mortgagee, attorn to any person succeeding to the interest of landlord as a result of such enforcement and shall recognize such successor in interest as landlord under such lease without change in the terms or other provisions thereof; provided, however, that said successor in interest shall not be bound by any payment of rent or additional rent for more than one month in advance or any amendment or modification to any lease made without the consent of Mortgagee or said successor in interest. Each tenant, upon request by said successor in interest, shall execute and deliver an instrument or instruments confirming such attornment.

Mortgagee shall have the option to declare this Mortgage in default because of a material default of landlord in any lease of the Premises if such default is not cured by Mortgagee within any applicable cure period set forth in said lease. It is covenanted and agreed that a default under any Assignment of Rents or Leasee executed pursuant to this Paragraph 8, not cured within any applicable grace period, shall constitute a default hereunder, on account of which the whole of the Indebtedness secured hereby shall at once, at the option of the Mortgagee, become immediately due and payable, without notice to the Mortgagor.

Mortgagor and Lien Not Released.

9. From time to time Mortgagee may, at Mortgagee's option, without giving notice to or obtaining the consent of the Mortgagor or Mortgagor's successors or assigns or the consent of any

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junior lien holder, guarantor or tenant, without liability on Mortgagee's part and notwithstanding Mortgagor's breach of any covenant, agreement or condition: (a) release anyone primarily or secondarily liable on any of the Indebtedness; (b) accept a renewal note or note therefor; (c) release from the lien of this Mortgage any part of the Premises; (d) take or release other or additional security for the Indebtedness; (e) consent to any plat, map or plan of the Premises; (f) consent to the granting of any easement; (g) join in any extension or subordination agreement; (h) agree in writing with Mortgagor to modify the rate of interest or period of amortization of the Note or change the time of payment or the amount of the monthly installments payable thereunder; and (i) waive or fail to exercise any right, power or remedy granted by law or herein or in any other instrument given at any time to evidence or secure the payment of the Indebtedness.

Any actions taken by Mortgagee pursuant to the terms of this Paragraph 9 shall not impair or affect: (a) the obligation of Mortgagor or Mortgagor's successors or assigns to pay any sums at any time secured by this Mortgage and to observe all of the covenants, agreements and conditions herein contained; (b) the guaranty of any individual, if any, or legal entity for payment of the Indebtedness; and (c) the lien or priority of the lien hereof against the Premises.

Mortgagor shall pay to Mortgagee such title insurance premiums for which Mortgagee has actually paid and reasonable attorneys' fees as may be incurred by Mortgagee for any action described in this Paragraph 9 taken at the request of Mortgagor or its beneficiary or beneficiaries.

Mortgagee's Performance of Defaulted Acts.

10. In case of default herein not cured within any applicable grace period, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner Mortgagee deems expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting said Premises or contest any tax or assessment or cure any default of any landlord in any lease of the Premises. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees, and any other monies advanced by Mortgagee in regard to any tax referred to in Paragraphs 7 or 7.1 or to protect the Premises or the lien hereof, shall be so much additional Indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the rate of interest set forth in the Note applicable to a period when a default exists thereunder. 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.

Mortgagee's Reliance on Tax Bills, etc.

11. Mortgagee, in making any payment hereby authorized: (a) relating to taxes and assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or (b) for the purchase,

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discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted.

Acceleration of Indebtedness in Case of Default.

12. If: (a) default be made in the due and punctual payment of principal or interest on the Note, or any other payment due in accordance with the terms thereof, and if such default shall occur and continue for five (5) days after written notice to Mortgagor; or (b) the Mortgagor or any beneficiary thereof or any guarantor of the Note, if any, shall file (i) a petition for liquidation, reorganization or adjustment of debt under Title 11 of the United States Code (11 U.S.C. Sec. 101 et seq.) or any similar bankruptcy law, state or federal, whether now or hereafter existing, or (ii) any answer admitting insolvency or inability to pay its debts, or (iii) fail to obtain a vacation or stay of involuntary proceedings within sixty (60) days, as hereinafter provided; or (c) any order for relief of the Mortgagor or any beneficiary thereof or any guarantor of the Note shall be entered in any case under Title 11 of the United States Code, or a trustee or a receiver shall be appointed for the Mortgagor or any beneficiary thereof or for any guarantor of the Note, if any, or for all or the major part of the property of Mortgagor or any beneficiary thereof or of any guarantor of the Note in any voluntary or involuntary proceedings, or any court shall have taken jurisdiction of all or the major part of the property of the Mortgagor or of any beneficiary thereof or of any guarantor of the Note, if any, in any voluntary or involuntary proceeding for the reorganization, dissolution, liquidation, adjustment of debt or winding up of the Mortgagor or of any beneficiary thereof or of any guarantor of the Note and such trustee or receiver shall not be discharged or such jurisdiction not be relinquished or vacated or stayed on appeal or otherwise stayed within sixty (60) days; or (d) the Mortgagor or any guarantor of the Note, if any, secured hereby shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver or trustee or liquidator of all or any major part of its property; or (e) default shall be made in the due observance or performance of any other covenant, agreement or condition hereinbefore or hereinafter contained and required to be kept or performed or observed by the Mortgagor or its beneficiary and such default has not been cured within thirty (30) days after written notice to Mortgagor (provided, however, if Mortgagor is diligently proceeding to cure the aforesaid default Mortgagor shall be given an additional 30 days to cure the same but in no event longer than 60 days from the giving of notice as provided herein); (f) default shall be made in the due observance or performance of any covenant, agreement or condition required to be kept or observed by Mortgagor or its beneficiary or beneficiaries in any other instruments given at any time to secure the payment of the Note and such default has not been cured within the time period set forth in the document; then and in any such event, the whole of the Indebtedness shall at once, at the option of the Mortgagee, become immediately due and payable without notice to Mortgagor. If while any insurance proceeds or condemnation awards are held by or for the Mortgagee to reimburse Mortgagor or any lessee for the cost of repair, rebuilding or restoration of building(s) or other improvement(s) on the Premises, as set forth in Paragraphs 6 and 18 hereof, the Mortgagee shall be or become entitled to accelerate the maturity of the Indebtedness, then and in such event, the Mortgagee shall be entitled to apply all such insurance proceeds and condemnation awards then held by or for it in reduction of the Indebtedness,

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and any excess held by it over the amount of Indebtedness shall be paid to Mortgagor or any party entitled thereto, without interest, as the same appear on the records of the Mortgagee.

12.1 In addition to the events of default set forth in Paragraph 12 above, an event of default under this Mortgage entitling Mortgagee to those remedies set forth in Paragraph 12 above shall also include the following:

(a) an event of default by Mortgagor continuing beyond expiration of the applicable notice and grace period pursuant to the terms of any other document executed by Mortgagor as collateral for the Note, including but not limited to the Environmental Indemnity Agreement (Mortgage), Assignment of Rents and Leases, and Security Agreement of even date herewith between Mortgagor and Mortgagee (the Mortgage, Note and all other documents executed as collateral for the Note are hereinafter collectively referred to as "Loan Documents");

(b) an event of default by Mortgagor continuing beyond expiration of the applicable notice and grace period pursuant to the terms of any agreement or document between Mortgagor and the Mortgagee.

Foreclosure; Expense of Litigation.

13. When the Indebtedness or any part thereof shall become due, (if due to an event of default, after expiration of any applicable cure period) whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such Indebtedness or part thereof. In any civil action to foreclose the lien hereof, there shall be allowed and included as additional Indebtedness in the order or judgment for foreclosure and sale all reasonable expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of said order or judgment) of procuring all such abstracts of title, title searches and examinations, title insurance policies and similar data and assurances with respect to the title as Mortgagee may deem reasonably necessary either to prosecute such civil action or to evidence to the title bidders at any sale which may be had pursuant to such order or judgment the true condition of the title to, or the value of, the Premises. All expenditures and expenses of the nature as described in this paragraph and such reasonable expenses and fees as may be reasonably incurred in the protection of the Premises and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or the Premises, including probate, appellate and bankruptcy proceedings, or in preparations for the commencement or defense of any action or proceeding or threatened action or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the rate set forth in the Note applicable to a period when a default exists thereunder, and shall be secured by this Mortgage.

At all times, the Mortgagor shall appear in and defend any suit, action or proceeding that might in any way in the reasonable judgment of the Mortgagee affect the value of the Premises, the priority

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of this Mortgage or the rights and powers of Mortgagee hereunder or under any document given any time to secure the Indebtedness. Mortgagor shall, at all times, indemnify, hold harmless and reimburse Mortgagee on demand for any and all loss, damage, expense or cost, including cost of evidence of title and reasonable attorneys' fees, arising out of or incurred in connection with any suit, action or proceeding, for which Mortgagee is not at fault, and the sum of such expenditures shall be secured by this Mortgage, and shall bear interest after demand at the rate specified in the Note applicable to a period when an uncured default exists thereunder, and such interest shall be secured hereby and shall be due and payable on demand.

Application of Proceeds of Foreclosure Sale.

14. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority unless otherwise determined in the sole and absolute discretion of Mortgagee: first, on account of all reasonable costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding Paragraph hereof; second, all other items which may under the terms hereof constitute secured Indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the Note; and fourth, any overplus to any party entitled thereto as their rights may appear.

Appointment of Receiver of Mortgage in Possession.

15. Upon, or at any time after, the commencement of an action to foreclose this Mortgage, the court in which such action was commenced may, upon request of the Mortgagee, appoint a receiver of the Premises either before or after foreclosure sale, without notice and without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not; and the Mortgagee or any holder of the Note may be appointed as such receiver or as Mortgagee in possession. Such receiver or the Mortgagee in possession shall have power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure action and, in case of a sale and a deficiency, during the full statutory period of redemption (if any), whether there be redemption or not, as well as during any further times (if any) when Mortgagor, except for the intervention of such receiver or Mortgagee in possession, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court from time to time may authorize the receiver or Mortgagee in possession to apply the net income in its hands in payment in whole or in part of: (a) the Indebtedness secured hereby or by any order or judgment foreclosing the lien of this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or the lien of such order or judgment, provided such application is made prior to foreclosure sale; or (b) the deficiency in case of a sale and deficiency.

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Rights Cumulative.

16. Each right, power and remedy conferred upon the Mortgagee by this Mortgage and by all other documents evidencing or securing the indebtedness and conferred by law and in equity is cumulative and in addition to every other right, power and remedy, express or implied, given now or hereafter existing, at law and in equity; and each and every right, power and remedy, express or implied, given now or hereafter existing, at law and in equity; and each and every right, power and remedy herein or therein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the Mortgagee; and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or hereafter any other right, power or remedy; and no delay or omission of, or discontinuance by, the Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

Mortgagee's Right of Inspection.

17. Mortgagee shall have the right to inspect the Premises upon reasonable notice and access thereto shall be permitted for that purpose during regular business hours.

Condemnation.

18. Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the proceeds of any award and any claim for damages, in an amount in excess of \$50,000, for any of the Premises taken or damaged under the power of eminent domain or by condemnation up to the amount of the Note. The Mortgagee shall make those proceeds available to Mortgagor or any lessee for repair, restoration or rebuilding of the Premises, in the manner and under the conditions that the Mortgagee may require; provided, however, that if in the opinion of Mortgagee the proceeds of such award are not sufficient to repair, restore or rebuild the Premises, and Mortgagor fails, within 30 days of the issuance of any award, to tender to Mortgagee the difference between such award and the cost to repair, restore or rebuild the Premises, then after notice from Mortgagee, Mortgagee may apply the award proceeds to the reduction of Mortgagor's debt hereunder. In any event, the building(s) and improvement(s) shall be repaired, restored or rebuilt in accordance with plans and specifications to be submitted and reasonably approved by the Mortgagee. If the proceeds are made available by the Mortgagee, any surplus which may remain out of said award after payment of such cost of repair, rebuilding, restoration and the reasonable charges of the Disbursing Party shall, be applied on account of the Indebtedness with any excess paid to Mortgagor. Interest shall not be allowed to Mortgagor on the proceeds of any award held by the Mortgagee.

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Release Upon Payment and Discharge of Mortgagor's Obligations.

19. Mortgagee shall release this Mortgage and the lien hereof by proper instrument recorded in the Recorder's Office of the county in which the Premises are located upon payment and discharge of all Indebtedness secured hereby (including any interest and late charges provided for herein or in the Note).

Giving of Notice.

20. All communications provided for herein shall be in writing and shall be deemed to have been given (i) when served personally, (ii) 1 business day after being sent by Federal Express or other overnight carrier with guaranteed next-day delivery, or (iii) 3 days after being mailed by United States certified mail, return receipt requested, postage prepaid, addressed if to Mortgagor at c/o Robert Walz, 225 W. Erie Street, Chicago, Illinois 60610, or if to Mortgagee at 33 North LaSalle Street, Chicago, Illinois, 60690, Attention: Patrick J. Fravel, or at such other address as shall be designated by any party hereto in a written notice given to each other party pursuant to this paragraph 20.

Waiver of Defense.

21. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note.

Waiver of Statutory Rights

22. Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of the lien 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 and all right to have the property and estates comprising the Premises marshalled 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 does hereby expressly waive any and all rights of redemption from sale under any order or judgment of foreclosure of the lien of this Mortgage on behalf of the Mortgagor, the trust estate and all persons beneficially interested therein, and each and every person, except judgment creditors of the Mortgagor in its representative capacity and of the trust estate, acquiring interest in or title to the Premises subsequent to the date of this Mortgage.

Furnishing of Financial Statements to Mortgagee.

23. Mortgagor covenants and agrees that it will keep and maintain, or cause its beneficiary or beneficiaries from time to time to keep and maintain, books and records of account in which full, true and correct entries shall be made in a material respects of all dealings and transactions relative

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to the Premises, which books and records of account shall, at reasonable times and on reasonable notice, be open to the inspection of the Mortgagee and its accountants and other duly authorized representatives. Such books of record and account shall be kept and maintained in accordance with generally accepted accounting principles consistently applied.

Filing and Recording Charges and Taxes.

24. Mortgagor will pay all filing, registration, recording and search and information fees, and all reasonable expenses incident to the execution and acknowledgment of this Mortgage and all other documents securing the Note and all federal, state, county and municipal taxes, other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution, delivery, filing, recording or registration of the Note, this Mortgage and all other documents securing the Note and all assignments thereof.

Business Purposes; Usury Exemption.

25. Mortgagor represents that Mortgagor owns and operates a "business" as that term is defined in Paragraph C of Subsection 4(i) of the Illinois Interest Act (815 ILCS 205/4(i)), as amended and that the principal obligation secured hereby constitutes a "business loan" within the purview and operation of said paragraph.

Miscellaneous.

26. Binding Nature. This Mortgage and all provisions hereof shall extend to and be binding upon the original Mortgagor named on page 1 hereof, and its successors, grantees, assigns, each subsequent owner or owners of the Premises and all persons claiming under or through Mortgagor.

26.1 Release of Previous Holder. The word "Mortgagee" when used herein shall include the successors and assigns of the original Mortgagee named on page 1 hereof, and the holder or holders, from time to time, of the Note. However, whenever the Note is sold, each prior holder shall be automatically freed and relieved, on and after the date of such sale, of all liability with respect to the performance of each covenant and obligation of Mortgagee hereunder thereafter to be performed, provided that any monies in which the Mortgagor has an interest, which monies are then held by the seller of the Note, are turned over to the purchaser of the Note; and further, provided that such purchaser shall be responsible for all obligations to be performed by Mortgagee hereunder.

26.2 Severability and Applicable Law. In the event one or more of the provisions contained in this Mortgage or in the Note or in any other document given at any time to secure the payment of the Note shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Mortgagee, not affect any other provision of this Mortgage, the Note or other document and this Mortgage, the Note or other document shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein. The validity and interpretation of this Mortgage and the Note it secures

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are to be construed in accordance with and governed by the laws of the State in which the Premises are situated.

26.3 Governmental Compliance. Mortgagor shall not by act or omission permit any lands or improvements not subject to the lien of this Mortgage to include the Premises or any part thereof in fulfillment of any governmental requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Premises to be so used. Similarly, no lands or improvements comprising the Premises shall be included with any lands or improvements not subject to the lien of this Mortgage in fulfillment of any governmental 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 premises. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this paragraph shall be void.

26.4 Estoppel Certificate. Mortgagor, within fifteen (15) days after mailing of a written request by the Mortgagee, agrees to furnish from time to time a signed statement setting forth the amount of the Indebtedness and whether or not any default, offset or defense then is alleged to exist against the Indebtedness and, if so, specifying the nature thereof.

26.5 Non-Joiner of Tenant. After an event of default, Mortgagee shall have the right and option to commence a civil action to foreclose the lien of this Mortgage and to obtain an order or judgment of foreclosure and sale subject to the rights of any tenant or tenants of the Premises. The failure to join any tenant or tenants of the Premises as party defendant or defendants in any such civil action or the failure of any such order or judgment to foreclose their rights shall not be asserted by the Mortgagor as a defense in any civil action instituted to collect the Indebtedness secured hereby, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Premises, any statute or rule of law at any time existing to the contrary notwithstanding.

26.6 Regulation G Clause. Mortgagor covenants that the proceeds evidenced by the Note secured hereby will not be used for the purchase or carrying of registered equity securities within the purview and operation of Regulation G issued by the Board of Governors of the Federal Reserve System.

26.7 Additional Documents. The Mortgagor will, from time to time, within fifteen (15) days after request by the Mortgagee, execute, acknowledge and deliver any Financing Statement, Renewal Affidavit, Certificate, Continuation Statement, or other similar documents as the Mortgagee may reasonably request in order to protect, preserve, continue, extend or maintain the security interest under the priority of this Mortgage and will, upon demand, pay any reasonable and necessary expense(s) incurred by the Mortgagee in the preparation, execution and filing of any such documents, with the proviso that the failure of Mortgagor to do so shall constitute a default subject to the cure periods set forth in Paragraph 12(e) hereunder and under the Note.

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Security Agreement and Financing Statement.

27. Mortgagor and Mortgagee agree: (i) that this Mortgage shall constitute a Security Agreement within the meaning of the Uniform Commercial Code (the "Code") of the State in which the Premises are located with respect to all sums on deposit with the Mortgagee pursuant to Paragraphs 4, 6 and 18 hereof ("Deposits") and with respect to any property included in the definition herein of the word "Premises", which property may not be deemed to form a part of the real estate described in EXHIBIT "A" or may not constitute a "fixture" (within the meaning of Section 9-313 of the Code), and all replacements of such property, substitutions for such property, additions to such property, and the proceeds thereof (said property, replacements, substitutions, additions and the proceeds thereof being sometimes herein collectively referred to as the "Collateral"); and (ii) that a security interest in and to the Collateral and the Deposits is hereby granted to the Mortgagee; and (iii) that the Deposits and all of Mortgagor's right, title and interest therein are hereby assigned to the Mortgagee; all to secure payment of the Indebtedness and to secure performance by the Mortgagor of the terms, covenants and provisions hereof.

In the event of a default under this Mortgage, the Mortgagee, pursuant to the appropriate provisions of the Code, shall have an option to proceed continuing beyond any applicable notice and grace period with respect to both the real property and Collateral in accordance with its rights, powers and remedies with respect to the real property, in which event the default provisions of the Code shall not apply. The parties agree that if the Mortgagee shall elect to proceed with respect to the Collateral separately from the real property, ten (10) days notice of the sale of the Collateral shall be reasonable notice. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by the Mortgagee shall include, but not be limited to, reasonable attorneys' fees and legal expenses incurred by Mortgagee. The Mortgagor agrees that, without the written consent of the Mortgagee, the Mortgagor will not remove or permit to be removed from the Premises any of the Collateral except that so long as the Mortgagor is not in default hereunder, following notice from Mortgagee and expiration of the applicable cure period set forth hereunder, Mortgagor shall be permitted to sell or otherwise dispose of the Collateral when obsolete, worn out, inadequate, unserviceable or unnecessary for use in the operation of the Premises, but only upon replacing the same or substituting for the same other Collateral (except when unnecessary, in Mortgagor's reasonable business judgment) at least equal in value and utility to the initial value and utility of that disposed of and in such manner that said replacement or substituted Collateral shall be subject to the security interest created hereby and that the security interest of the Mortgagee shall be perfected and first in priority, it being expressly understood and agreed that all replacements, substitutions and additions to the Collateral shall be and become immediately subject to the security interest of this Mortgage and covered hereby. The Mortgagor shall from time to time, on request of the Mortgagee, deliver to the Mortgagee at the cost of the Mortgagor: (i) such further financing statements and security documents and assurances as Mortgagee may require, to the end that the liens and security interests created hereby shall be and remain perfected and protected in accordance with the requirements of any present or future law; and (ii) an inventory of the Collateral in reasonable detail. The Mortgagor covenants and represents that all Collateral now is, and that all replacements thereof, substitutions therefor or additions thereto,

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unless the Mortgagee otherwise consents, will be free and clear of liens, encumbrances, title retention devices and security interests of others.

The Mortgagor and Mortgagee agree, to the extent permitted by law, that: (i) all of the goods described within the definition of the word "Premises" herein are or are to become fixtures on the land described in EXHIBIT "A"; (ii) this instrument, upon recording or registration in the real estate records of the proper office, shall constitute a "fixture filing" within the meaning of Section 9-313 and 9-402 of the Code; and (iii) Mortgagor is a record owner of the land described in EXHIBIT "A".

Lien for Loan Commissions, Service Charges and the Like.

28. So long as the original Mortgagee named on page 1 hereof is the owner of the Note, and regardless of whether any proceeds of the loan evidenced by the Note have been disbursed, this Mortgage also secures the payment of all loan commissions, liquidated damages, reasonable attorneys fees, expenses and advances due to or incurred by the Mortgagee in connection with the loan transaction intended to be secured hereby, all in accordance with the application of, and loan commitment issued to and accepted by, one or more of Mortgagor's members in connection with said loan.

Due on Sale or Further Encumbrance Clause.

29. In determining whether or not to make the loan secured hereby, Mortgagee examined the creditworthiness of Mortgagor, found it acceptable and relied and continues to rely upon same as the means of repayment of the loan. Mortgagee also evaluated the background and experience of Mortgagor in owning and operating property such as the Premises, found it acceptable and relied and continues to rely upon same as the means of maintaining the value of the Premises which is Mortgagee's security for the loan. Mortgagor is a business person or entity well-experienced in borrowing money and owning and operating property such as the Premises, was ably represented by a licensed attorney at law in the negotiation and documentation of the loan secured hereby and bargained at arm's length and without duress of any kind for all of the terms and conditions of the loan, including this provision. Mortgagor recognizes that Mortgagee is entitled to keep its loan portfolio at current interest rates by either making new loans at such rates or collecting assumption fees and/or increasing the interest rate on a loan, the security for which is purchased by a party other than the original Mortgagor. Mortgagor further recognizes that any secondary or junior financing placed upon the Premises(a) may divert funds which would otherwise be used to pay the Note secured hereby; (b) could result in acceleration and foreclosure by any such junior encumbrancer which would force Mortgagee to take measures and incur expenses to protect its security; (c) would detract from the value of the Premises should Mortgagee come into possession thereof with the intention of selling same; and (d) impair Mortgagee's right to accept a deed in lieu of foreclosure, as a foreclosure by Mortgagee would be necessary to clear the title to the Premises.

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In accordance with the foregoing and for the purposes of (i) protecting Mortgagee's security, both of repayment by Mortgagor and of value of the Premises; (ii) giving Mortgagee the full benefit of its bargain and contract with Mortgagor; (iii) allowing Mortgagee to raise the interest rate and/or collect assumption fees; and (iv) keeping the Premises free of subordinate financing liens. Mortgagor agrees that if this Paragraph be deemed a restraint on alienation, that it is a reasonable one and that any sale, conveyance, assignment, further encumbrance or other transfer of title to the Premises or any interest therein (whether voluntary or by operation of law) without the Mortgagee's prior written consent shall be an event of default hereunder. For the purpose of, and without limiting the generality of, the preceding sentence, the occurrence at any time of any of the following events to the extent not otherwise permitted hereunder shall be deemed to be an unpermitted transfer of title to the Premises and therefore an event of default hereunder:

(a) any sale, conveyance, assignment or other transfer of, or the grant of a security interest in, all or any part of the title to the Premises;

(b) any sale, conveyance, assignment, or other transfer of, or the grant of a security interest in, any share of stock of Mortgagor, or of any corporation directly or indirectly controlling such corporation.

Any consent by the Mortgagee, or any waiver of an event of default, under this Paragraph shall not constitute a consent to or waiver of any right, remedy or power of the Mortgagee upon a subsequent event of default under this Paragraph.

Late Fees and Interest Upon Default.

30. If any installment of principal or interest due under the Note or if any deposit for taxes or insurance or payment of any item required under this Mortgage shall become overdue for a period in excess of ten (10) days after the due date of such payment, Mortgagor shall, in addition to any other charges provided for under the Note and this Mortgage, pay to the Mortgagee a "late charge" of five cents (\$.05) for each dollar so overdue, in order to defray part of the increased cost of collection occasioned by any late payments, as liquidated damages and not as a penalty. After an occurrence of an Event of Default (and the expiration of any applicable cure period after notice as provided herein, Mortgagee may collect interest on the entire unpaid balance of said principal sum computed at a rate of interest on a daily basis from the date of such default until such default is cured by Mortgagor at the Default Interest Rate as defined in the Note.

Hazardous Substances.

31. Mortgagor represents that to Mortgagor's knowledge and, except as may be revealed by that certain Phase I Environmental Site Assessment Report dated June 24, 1997 and a Phase II Environmental Assessment Letter Report dated August 20, 1997, as Project No. 73221 both prepared by Mostardi-Platt Associates, Inc., no Hazardous Substances have been generated, released, stored or deposited over, beneath or on the Premises or in any structure located on the Premises, or have

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been used or will be used in the construction of all or any portion of the Premises, nor has any part of the Premises been used for or as a land fill in violation of any applicable federal, state or local law, regulation or ordinance. Mortgagor at all times shall keep the Premises free of Hazardous Substances, except in compliance with applicable law. Mortgagor shall not permit its tenants or any third party requiring the consent of Mortgagor to enter the Premises, to use, generate, manufacture, store, release, threaten release, or dispose of Hazardous Substances in, on or about the Premises except in compliance with applicable law. Pursuant to the notice provisions hereof Mortgagor shall give Mortgagee prompt written notice of any claim by any person, entity, or governmental agency that a significant release or disposal of Hazardous Substances has occurred on the Premises. Mortgagor, through its professional engineers in the event of such a claim and at its cost, shall promptly and thoroughly investigate such claim or suspected Hazardous Substances contamination of the Premises. Mortgagor shall forthwith remove, repair, clean up or detoxify any Hazardous Substances from the Premises as required by law, and whether or not Mortgagor was responsible for the existence of the Hazardous Substances in, on or about the Premises. "Hazardous Substances" is defined as "Any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous or toxic substance, or other similar term, by any federal, state or local environmental statute, regulation, or ordinance presently in effect or that may be promulgated in the future, as such statutes, regulations and ordinances may be amended from time to time."

31.1 Mortgagor agrees to indemnify and hold Mortgagee harmless in accordance with the terms of an Environmental Indemnity Agreement of even date herewith executed by Mortgagor.

32. Management Contract. Mortgagor presently represents that presently there is neither a management agent nor leasing agent for the Premises. In the event Mortgagor hires a management or leasing agent for the Premises, such parties shall be first approved in writing by Mortgagee, and said management contract and/or leasing contract shall be satisfactory to and subject to the approval of Mortgagee throughout the term of the Indebtedness, which approval shall not be unreasonably withheld. Each management contract and leasing contract shall contain a provision that in the event of a default by Mortgagor under the terms of this Mortgage, or the Note or in any other document executed by Mortgagor or its beneficiary to secure the payment of the Note, that said management contract and/or leasing contract is cancelable by Mortgagee upon thirty (30) day written notice. In the event of a default by Mortgagor with respect to the provisions of this Paragraph, then at the election of Mortgagee the Indebtedness shall be come immediately due and payable, and Mortgagee shall be entitled to exercise any or all remedies provided or referenced in this Mortgage.

Waiver.

33. MORTGAGOR HEREBY IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING (i) TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR IN CONNECTION WITH THIS MORTGAGE OR ANY AMENDMENT, INSTRUMENT, DOCUMENT, OR AGREEMENT DELIVERED IN CONNECTION HEREWITH, OR (ii) ARISING FROM ANY DISPUTE OR CONTROVERSY IN CONNECTION WITH OR

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RELATED TO THIS NOTE, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

Waiver of Bond.

34. Mortgagor waives the posting of any bond otherwise required of Mortgagee in connection with any judicial process or proceeding to obtain possession of, replevy, attach or levy upon collateral or any other security for the Indebtedness, to enforce any judgment or other court order entered in favor of Mortgagee, or to enforce by specific performance, temporary restraining order, preliminary or permanent injunction, this Mortgage, or any other Loan Document.

Banking Relationship

35. For as long as any loans from the Mortgagee to Mortgagor including but not limited to this Mortgage, remain outstanding, Mortgagor shall (i) utilize Mortgagee as its primary depository and remittance point and (ii) shall maintain average available balances in its accounts with Mortgagee sufficient to pay for all banking services provided Mortgagor by Mortgagee.

Governing Law.

36. The validity and interpretation of this Mortgage shall be construed in accordance with the laws and decisions of the State of Illinois.

IN WITNESS WHEREOF, the Mortgagor has executed this instrument as of the day and year first above written.

FLAIR COMMUNICATIONS AGENCY, INC.
an Illinois Corporation

By: Robert Walz 10/23/97

Robert Walz

Title: Chief Operating Officer

Attest: ~~Allyn Miller~~

Allyn Miller

Title: President

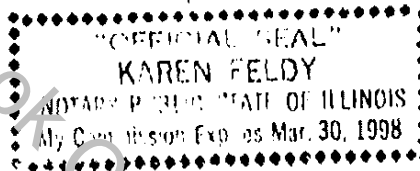
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, KAREN FELDY, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Robert Wulz ~~and Allyn Miller~~ ^{is} personally known to me to be the Chief Operating Officer ~~and President~~ of Flair Communications Agency, Inc., an Illinois Corporation, and the same persons whose names are subscribed to the foregoing instrument, that said persons appeared before me this day in person and acknowledged that they signed the foregoing instrument as their free and voluntary act for the use and purpose therein set forth.

GIVEN under my hand and Notarial Seal this 23rd day of October, 1997.

Karen Feldy
Notary Public



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EXHIBIT "A"

Legal Description

PARCEL 1:

LOT 26 IN BLOCK 16 IN NEWBERRY'S ADDITION TO CHICAGO, SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST, OF THE THIRD PRINCIPAL MERIDIAN, COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 24 AND 25 IN BLOCK 16 IN NEWBERRY'S ADDITION TO CHICAGO, SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST, OF THE THIRD PRINCIPAL MERIDIAN, COOK COUNTY, ILLINOIS.

Address: 214-216 W. Erie, Chicago, Illinois

Tax Id. Numbers: 17-09-216-008 and 17-09-216-009

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EXHIBIT "B"

Schedule of Leases

NO LEASES.

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