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THIS INSTRUMENT PREPARED BY
AND AFTER RECORDING
RETURN TO:

Michael B. Manuel, Esq.
Goldberg, Kohn, Bell, Black,
Rosenbloom & Moritz, Ltd.
55 East Monroe Street
Suite 3700
Chicago, Illinois 60603
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DEPT-01 RECORDING \$95.00
T#0012 TRAN 4336 03/17/97 14:58:00
#3939 + CG *-97-183369
COOK COUNTY RECORDER

LEASEHOLD MORTGAGE AND SECURITY AGREEMENT

9.5.00
CPL

THIS LEASEHOLD MORTGAGE AND SECURITY AGREEMENT ("Mortgage"), made as of March 14, 1997, is made and executed by Mid-City Realty Corp., an Illinois corporation having its principal offices at 400 West Erie, Suite 502, Chicago, Illinois 60610 ("Mortgagor"), in favor of LaSalle Bank NI having an office at 3201 North Ashland Avenue, Chicago, Illinois 60657 ("Lender").

7649416-DI (JY)

RECITALS

I. Lender has agreed, subject to certain terms and conditions, to make a loan to Mortgagor in an amount not to exceed \$705,000 (the "Loan"). Certain provisions governing the Loan are set forth in a Loan Agreement of even date herewith entered into by Mortgagor and Lender (the "Loan Agreement").

II. The Loan is evidenced by that certain Note of even date herewith executed by Mortgagor in favor of Lender in the principal sum of \$705,000 (the "Note"). A copy of the Note is attached hereto as Exhibit A. The terms and provisions of the Note are hereby incorporated, by reference, in this Mortgage.

GRANTING CLAUSES

To secure the payment of the indebtedness evidenced by the Note and the payment of all amounts due under and the performance and observance of all covenants and conditions contained in this Mortgage, the Note, the Loan Agreement, any and all other mortgages, security agreements, assignments of leases and rents, guaranties, reimbursement agreements executed in connection with any letters of credit issued by Lender at the request of Mortgagor and any other documents and instruments now or hereafter executed by Mortgagor or any party related thereto or affiliated therewith to evidence, secure or guarantee the payment of all or any portion of the indebtedness under the Note and any and all renewals, extensions, amendments and replacements of this Mortgage, the Note, the Loan Agreement and any such

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BOX 333-CTI

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other documents and instruments (the Note, the Loan Agreement, this Mortgage, such other mortgages, security agreements, assignments of leases and rents, guaranties, reimbursement agreements, and any other documents and instruments now or hereafter executed and delivered in connection with the Loan, and any and all amendments, renewals, extensions and replacements hereof and thereof, being sometimes referred to collectively as the "**Loan Instruments**" and individually as a "**Loan Instrument**") (all indebtedness and liabilities secured hereby being hereinafter sometimes referred to as "**Borrower's Liabilities**" which indebtedness and liabilities being secured hereby shall, in no event, exceed five times the aggregate face amount of the Note), Mortgagor does hereby convey, mortgage and warrant, assign, transfer, pledge and deliver to Lender all of Mortgagor's right, title and interest arising out of, under, or in connection with a certain Indenture of Sublease dated October 7, 1993 between Sylvia L. Goffen, Lawrence J. Blum and Merwin S. Rosenberg, Successor Trustees under State/Ellis Trust Agreement dated August 30, 1951, as sublessor, and Parking, as sublessee, which sublessee's interest was assigned by Parking to Mortgagor pursuant to a certain Assignment and Assumption of Lease dated September, 1994 between Parking and Mortgagor (the "**Subject Lease**") in or to the following:

(A) The land located in Cook County, Illinois, legally described in attached **Exhibit B ("Land")**;

(B) All the buildings, structures, improvements and fixtures of every kind or nature now or hereafter situated on the Land, and, all machinery, appliances, equipment, furniture and all other personal property of every kind or nature located in or on, or attached to, or used or intended to be used in connection with, or with the operation of, the Land, buildings, structures, improvements or fixtures now or hereafter located or to be located on the Land, or in connection with any construction being conducted or which may be conducted thereon, and all extensions, additions, improvements, substitutions and replacements to any of the foregoing ("**Improvements**");

(C) All building materials and goods which are procured or to be procured for use on or in connection with the Improvements or the construction of additional Improvements, whether or not such materials and goods have been delivered to the Land ("**Materials**");

(D) All plans, specifications, architectural renderings, drawings, licenses, permits, soil test reports, other reports of examinations or analyses of the Land or the Improvements, contracts for services to be rendered to Mortgagor or otherwise in connection with the Improvements and all other property, contracts, reports, proposals and other materials now or hereafter existing in any way relating to the Land or the Improvements or the construction of additional Improvements;

(E) All easements, tenements, rights-of-way, vaults, gores of land, streets, ways, alleys, passages, sewer rights, water courses, water rights and powers and appurtenances in any way belonging, relating or appertaining to any of the Land or Improvements, or which

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hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired ("**Appurtenances**");

(F) (i) All judgments, insurance proceeds, awards of damages and settlements which may result from any damage to all or any portion of the Land, Improvements or Appurtenances or any part thereof or to any rights appurtenant thereto;

(ii) All compensation, awards, damages, claims, rights of action and proceeds of or on account of (a) any damage or taking, pursuant to the power of eminent domain, of the Land, Improvements, Appurtenances or Materials or any part thereof, (b) damage to all or any portion of the Land, Improvements or Appurtenances by reason of the taking, pursuant to the power of eminent domain, of all or any portion of the Land, Improvements, Appurtenances, Materials or of other property, or (c) the alteration of the grade of any street or highway on or about the Land, Improvements, Appurtenances, Materials or any part thereof; and, except as otherwise provided herein, Lender is hereby authorized to collect and receive said awards and proceeds and to give proper receipts and acquittances therefor and, except as otherwise provided herein, to apply the same toward the payment of the indebtedness and other sums secured hereby;

(iii) All contract rights, general intangibles, actions and rights in action, including, without limitation, all rights to insurance proceeds and unearned premiums arising from or relating to damage to the Land, Improvements, Appurtenances or Materials; and

(iv) All proceeds, products, replacements, additions, substitutions, renewals and accessions of and to the Land, Improvements, Appurtenances or Materials;

(G) All rents and any payments made in lieu of rents payable under the Sub-Leases and in lieu of any such other payments payable in addition to rent, such as lease termination payments and any damages paid by any subtenant of the Mortgaged Property in connection with a default by such subtenant in the performance of its obligations under such subtenant's lease, any amount received from any subtenant of the Mortgaged Property in connection with any bankruptcy or reorganization proceedings, or any payment made by any subtenant of the Mortgaged Property in consideration for the termination, amendment, modification or release of any lease obligations or release from liability therefor, issues, profits, income and other benefits now or hereafter arising from or in respect of the Land, Improvements or Appurtenances (the "**Rents**"); it being intended that this Granting Clause shall constitute an absolute and present assignment of the Rents, subject, however, to the conditional permission given to Mortgagor to collect and use the Rents as provided in this Mortgage;

(H) Any and all subleases, licenses and other occupancy agreements now or hereafter affecting the Land, Improvements, Appurtenances or Materials, together with all security therefor and guaranties thereof and all monies payable thereunder, and all books and records owned by Mortgagor which contain evidence of payments made under the leases and all security given therefor (collectively, the "**Sub-Leases**"), subject, however, to the conditional permission given in this Mortgage to Mortgagor to collect the Rents arising under the Sub-Leases as provided in this Mortgage;

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(I) Any and all escrow accounts held by Lender or Lender's agent pursuant to any provision of this Mortgage;

(J) Any and all after-acquired right, title or interest of Mortgagor in and to any of the property described in the preceding Granting Clauses; and

(K) The proceeds from the sale, transfer, pledge or other disposition of any or all of the property described in the preceding Granting Clauses;

All of the mortgaged property described in the Granting Clauses, together with all real and personal, tangible and intangible property pledged in, or to which a security interest attaches pursuant to, any of the Loan Instruments is sometimes referred to collectively as the "Mortgaged Property." The Rents and Sub-Leases are pledged on a parity with the Land and Improvements and not secondarily.

ARTICLE ONE COVENANTS OF MORTGAGOR

Mortgagor covenants and agrees with Lender as follows:

1.1 Performance under Note, Mortgage and Other Loan Instruments. Mortgagor shall perform, observe and comply with or cause to be performed, observed and complied with in a complete and timely manner all provisions hereof and of the Note, every other Loan Instrument and every instrument evidencing or securing Borrower's Liabilities and will promptly pay or cause to be paid to Lender when due the principal with interest thereon and all other sums required to be paid by Mortgagor pursuant to the Note, this Mortgage, every other Loan Instrument and every other instrument evidencing or securing Borrower's Liabilities.

1.2 General Covenants and Representations. Mortgagor covenants, represents and warrants that as of the date hereof and at all times thereafter during the term hereof: (a) Mortgagor is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois; (b) Mortgagor owns the entire interest of the lessee under the Subject Lease and there are no leases other than the Subject Lease which affect or encumber any portion of the Land or Improvements; (c) the Mortgaged Property is owned by Mortgagor free and clear of all liens, security interests, charges and encumbrances whatsoever except those expressly permitted in writing by Lender, if any (such liens, security interests, charges and encumbrances expressly permitted in writing being hereinafter referred to as the "Permitted Encumbrances"); (d) Mortgagor has good right, full power and lawful authority to mortgage and pledge the Mortgaged Property as provided herein; (e) upon the occurrence of an Event of Default, Lender may at all times peaceably and quietly enter upon, hold, occupy and enjoy the Mortgaged Property in accordance with the terms hereof; and (f) Mortgagor will maintain and preserve the lien of this Mortgage as a first and paramount lien on the Mortgaged Property subject only to the Permitted Encumbrances until Borrower's Liabilities have been paid in full.

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1.3 Compliance with Laws and Other Restrictions. Mortgagor covenants, represents and warrants that the Land and the Improvements and the use thereof presently comply with, and will during the full term of this Mortgage continue to comply with, all applicable restrictive covenants, zoning and subdivision ordinances and building codes, licenses, health and environmental laws and regulations and all other applicable laws, ordinances, rules and regulations. If any federal, state or other governmental body or any court issues any notice or order to the effect that the Mortgaged Property or any part thereof is not in compliance with any such covenant, ordinance, code, law or regulation, Mortgagor will promptly upon receipt of same by Mortgagor, provide Lender with a copy of such notice or order and will immediately commence and diligently perform all such actions as are necessary to comply therewith or otherwise correct such non-compliance. Mortgagor shall not, without the prior written consent of Lender, petition for or otherwise seek any change in the zoning ordinances or other public or private restrictions applicable to the Mortgaged Property on the date hereof.

1.4 Taxes and Other Charges.

1.4.1 Taxes and Assessments. Mortgagor shall pay promptly when due all taxes, assessments, rates, dues, charges, fees, levies, fines, impositions, liabilities, obligations, liens and encumbrances of every kind and nature whatsoever now or hereafter imposed, levied or assessed upon or against the Mortgaged Property or any part thereof, or which are required to be paid pursuant to the Subject Lease, or which are levied upon or against this Mortgage or Borrower's Liabilities or upon or against the interest of Lender in the Mortgaged Property, as well as all taxes, assessments and other governmental charges levied and imposed by the United States of America or any state, county, municipality or other taxing authority upon or in respect of the Mortgaged Property or any part thereof; provided, however, that unless compliance with applicable laws requires that taxes, assessments or other charges must be paid as a condition to protesting or contesting the amount thereof, to the extent permitted without violating any provision of the Subject Lease, Mortgagor may in good faith, by appropriate proceedings commenced within ninety (90) days of the due date of such amounts and thereafter diligently pursued, contest the validity, applicability or amount of any asserted tax, assessment or other charge and pending such contest Mortgagor shall not be deemed in default hereunder if on or before the due date of the asserted tax or assessment, Mortgagor shall first either (i) deposit with Lender a bond or other security satisfactory to Lender in the amount of 150% of the amount of such tax or assessment or (ii) obtain an endorsement, in form and substance satisfactory to Lender, to the loan policy of title insurance issued to Lender insuring the lien of this Mortgage, insuring over such tax or assessment. Mortgagor shall pay the disputed or contested tax, assessment or other charge and all interest and penalties due in respect thereof on or before the date any adjudication of the validity or amount thereof becomes final and in any event no less than thirty (30) days prior to any forfeiture or sale of the Mortgaged Property by reason of such non-payment.

1.4.2 Taxes Affecting Lender's Interest. If any state, federal, municipal or other governmental law, order, rule or regulation, which becomes effective subsequent to the date hereof, in any manner changes or modifies existing laws governing the taxation of

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mortgages or debts secured by mortgages, or the manner of collecting taxes, so as to impose on Lender a tax by reason of its ownership of any or all of the Loan Instruments or measured by the principal amount of the Note, requires or has the practical effect of requiring Lender to pay any portion of the real estate taxes levied in respect of the Mortgaged Property to pay any tax levied in whole or in part in substitution for real estate taxes or otherwise affects materially and adversely the rights of Lender in respect of the Note, this Mortgage or the other Loan Instruments, Borrower's Liabilities and all interest accrued thereon shall, upon thirty (30) days' notice, become due and payable forthwith at the option of Lender, whether or not there shall have occurred an Event of Default, provided, however, that, if Mortgagor may, without violating or causing a violation of such law, order, rule or regulation, pay such taxes or other sums as are necessary to eliminate such adverse effect upon the rights of Lender and does pay such taxes or other sums when due, Lender may not elect to declare due Borrower's Liabilities by reason of the provisions of this Section 1.4.2.

1.4.3 Tax Escrow. Mortgagor shall, in order to secure the performance and discharge of Mortgagor's obligations under this Section 1.4, but not in lieu of such obligations, deposit with Lender on the first day of each calendar month throughout the term of the Loan, deposits, in amounts set by Lender from time to time by written notice to Mortgagor, in order to accumulate funds sufficient to permit Lender to pay all annual ad valorem taxes, assessments and charges of the nature described in Section 1.4.1 at least thirty (30) days prior to the date or dates on which they shall become delinquent. Mortgagor hereby pledges to Lender, and grants to Lender a security interest in, any and all such deposits as security for the Loan. The taxes, assessments and charges for purposes of this Section 1.4.3 shall, if Lender so elects, include, without limitation, water and sewer rents. Mortgagor shall procure and deliver to Lender when issued all statements or bills for such obligations. Upon demand by Lender, Mortgagor shall deliver to Lender such additional monies as are required to satisfy any deficiencies in the amounts necessary to enable Lender to pay such taxes, assessments and similar charges thirty (30) days prior to the date they become delinquent. Lender shall pay such taxes, assessments and other charges as they become due to the extent of the funds on deposit with Lender from time to time and provided Mortgagor has delivered to Lender the statements or bills therefor. In making any such payments, Lender shall be entitled to rely on any bill issued in respect of any such taxes, assessments or charges without inquiry into the validity, propriety or amount thereof and whether delivered to Lender by Mortgagor or otherwise obtained by Lender. Any deposits received pursuant to this Section 1.4.3 shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of Lender and Lender shall have no obligation to pay interest on amounts deposited with Lender pursuant to this Section 1.4.3. If any Event of Default occurs, any part or all of the amounts then on deposit or thereafter deposited with Lender under this Section 1.4.3 may at Lender's option be applied to payment of Borrower's Liabilities in such order as Lender may determine.

1.4.4 No Credit Against the Indebtedness Secured Hereby. Mortgagor shall not claim, demand or be entitled to receive any credit against the principal or interest payable under the terms of the Note or on any of Borrower's Liabilities for any of the taxes, assessments or similar impositions assessed against the Mortgaged Property or any part thereof or that are applicable to Borrower's Liabilities or to Lender's interest in the Mortgaged Property.

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1.5 **Mechanic's and Other Liens.** Mortgagor shall not permit or suffer any mechanic's, laborer's, materialman's, statutory or other lien or encumbrance (other than any lien for taxes and assessments not yet due) to be created upon or against the Mortgaged Property, provided, however, that Mortgagor may in good faith, by appropriate proceeding, contest the validity, applicability or amount of any asserted lien and, pending such contest, Mortgagor shall not be deemed to be in default hereunder if Mortgagor shall first obtain an endorsement, in form and substance satisfactory to Lender, to the loan policy of title insurance issued to Lender insuring over such lien, or, if no such loan policy shall have been issued, then Mortgagor shall deposit with Lender a bond or other security satisfactory to Lender in the amount of 150% of the amount of such lien. Mortgagor shall pay the disputed amount and all interest and penalties due in respect thereof on or before the date any adjudication of the validity or amount thereof becomes final and, in any event, no less than thirty (30) days prior to any foreclosure sale of the Mortgaged Property or the exercise of any other remedy by such claimant against the Mortgaged Property.

1.6 **Insurance and Condemnation.**

1.6.1 **Hazard Insurance.** Mortgagor shall, at its sole cost and expense, obtain for, deliver to, assign to and maintain for the benefit of Lender, until Borrower's Liabilities are paid in full, policies of hazard insurance in an amount which shall be not less than 100% of the full insurable replacement cost of the Mortgaged Property (except the Land), insuring on a replacement cost basis the Mortgaged Property with "causes of loss-special form" coverage and insuring against such other hazards, casualties and contingencies as Lender may require, including without limitation, if requested by Lender, earthquake, and, if all or any part of the Mortgaged Property shall at any time be located within an area identified by the government of the United States or any agency thereof as having special flood hazards and for which flood insurance is available, flood. If any such policy shall contain a co-insurance clause it shall also contain an agreed amount or stipulated value endorsement. All policies of hazard insurance shall contain a "lender's loss payable" endorsement and shall provide that no losses shall be payable to any other parties without Lender's prior written consent. The form of such policies, the amounts and the companies issuing them shall be acceptable to Lender. Originals or certified copies of all policies shall be delivered to and retained by Lender. Mortgagor shall pay on or before the due dates thereof premiums on all insurance policies and on any renewals thereof. In the event of loss, Mortgagor will give immediate written notice to Lender and Lender may make proof of loss if not made promptly by Mortgagor (for which purpose Mortgagor hereby irrevocably appoints Lender as its attorney-in-fact). In the event of the foreclosure of this Mortgage or any other transfer of title to the Mortgaged Property in full or partial satisfaction of Borrower's Liabilities, all right, title and interest of Mortgagor in and to all insurance policies and renewals thereof then in force shall pass to the purchaser or grantee. All such policies shall provide that they shall not be modified, cancelled or terminated without at least thirty (30) days' prior written notice to Lender from the insurer.

1.6.2 **Other Insurance.** Mortgagor shall, at its sole cost and expense, obtain for, deliver to, assign to and maintain for the benefit of, Lender, until Borrower's Liabilities are paid for in full, (i) commercial general liability insurance in such amounts as Lender may

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specify, together with workers compensation and employer's liability insurance, naming Lender as additional insured, (ii) a business interruption insurance policy covering loss of rents at a limit of 100%, in an amount not less than all rent and other charges payable by the subtenants of the Mortgaged Property (based on a fully leased building and a fully leased parking lot) for a period of one (1) year, together with such assignments of the proceeds of such policy as Lender may require, (iii) boiler and machinery insurance, if requested by Lender, and (iv) such other policies of insurance relating to the Mortgaged Property and the use and operation thereof as Lender may require, including dramshop, all in form and amounts, and issued by such companies as are acceptable to Lender.

1.6.3 Adjustment of Loss. Lender is hereby authorized and empowered, at its option, to adjust or compromise any loss of more than \$10,000 under any insurance policies covering or relating to the Mortgaged Property and to collect and receive the proceeds from any such policy or policies (and deposit such proceeds as provided in Section 1.6.5). Mortgagor hereby irrevocably appoints Lender as its attorney-in-fact for the purposes set forth in the preceding sentence. Each insurance company is hereby authorized and directed to make payment (i) of 100% of all such losses of more than said amount directly to Lender alone and (ii) of 100% of all such losses of said amount or less directly to Mortgagor alone, and in no case to Mortgagor and Lender jointly. After deducting from such insurance proceeds any expenses incurred by Lender in the collection and settlement thereof, including without limitation attorneys' and adjusters' fees and charges, Lender shall apply the net proceeds as provided in Section 1.6.5. Lender shall not be responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

1.6.4 Condemnation Awards. Lender shall be entitled to all compensation, awards, damages, claims, rights of action and proceeds of, or on account of, (i) any damage or taking, pursuant to the power of eminent domain, of the Mortgaged Property or any part thereof, (ii) damage to the Mortgaged Property by reason of the taking, pursuant to the power of eminent domain, of other property, or (iii) the alteration of the grade of any street or highway on or about the Mortgaged Property. Lender is hereby authorized, at its option, to commence, appear in and prosecute in its own or Mortgagor's name any action or proceeding relating to any such compensation, awards, damages, claims, rights of action and proceeds and to settle or compromise any claim in connection therewith. Mortgagor hereby irrevocably appoints Lender as its attorney-in-fact for the purposes set forth in the preceding sentence. Lender after deducting from such compensation, awards, damages, claims, rights of action and proceeds all its expenses, including attorneys' fees, may apply such net proceeds (except as otherwise provided in Section 1.6.5 of this Mortgage) to payment of Borrower's Liabilities in such order and manner as Lender may elect. Mortgagor agrees to execute such further assignments of any compensation awards, damages, claims, rights of action and proceeds as Lender may require.

1.6.5 Repair; Proceeds of Casualty Insurance and Eminent Domain. If all or any part of the Mortgaged Property shall be damaged or destroyed by fire or other casualty or shall be damaged or taken through the exercise of the power of eminent domain or other cause described in Section 1.6.4, Mortgagor shall promptly and with all due diligence restore and repair the Mortgaged Property whether or not the proceeds, award or other compensation

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are sufficient to pay the cost of such restoration or repair. At Lender's election, to be exercised by written notice to Mortgagor within thirty (30) days following Lender's unrestricted receipt in cash or the equivalent thereof of said proceeds, award or other compensation, the entire amount of said proceeds, award or compensation shall either (i) be applied to Borrower's Liabilities in such order and manner as Lender may elect or (ii) be made available to Mortgagor on such terms and conditions as Lender may impose, including without limitation the terms and conditions set forth in this Section 1.6.5, for the purpose of financing the cost of restoration or repair with any excess to be applied to Borrower's Liabilities. If the amount of proceeds to be made available to Mortgagor pursuant to this Section 1.6.5 is less than the cost of the restoration or repair as estimated by Lender at any time prior to completion thereof, Mortgagor shall cause to be deposited with Lender the amount of such deficiency within thirty (30) days of Lender's written request therefor (but in no event later than the commencement of the work) and Mortgagor's deposited funds shall be disbursed prior to any such insurance proceeds. If Mortgagor is required to deposit funds under this Section 1.6.5, the deposit of such funds shall be a condition precedent to Lender's obligation to disburse any insurance proceeds held by Lender hereunder. Without limitation of Lender's rights hereunder, it shall be an additional condition precedent to any disbursement of insurance proceeds held by Lender hereunder that Lender shall have approved all plans and specifications for any proposed repair or restoration. The amount of proceeds, award or compensation which is to be made available to Mortgagor, together with any deposits made by Mortgagor hereunder, shall be held by Lender to be disbursed from time to time to pay the cost of repair or restoration either, at Lender's option, to Mortgagor or directly to contractors, subcontractors, material suppliers and other persons entitled to payment in accordance with and subject to such conditions to disbursement as Lender may impose to assure that the work is fully completed in a good and workmanlike manner and paid for and that no liens or claims arise by reason thereof. Lender may commingle any such funds held by it with its other general funds. Lender shall not be obligated to pay interest in respect of any such funds held by it, nor shall Mortgagor be entitled to a credit against any of Borrower's Liabilities except and to the extent the funds are applied thereto pursuant to this Section 1.6.5. Notwithstanding any other provision of this Section 1.6.5, if an Event of Default shall be existing at the time of such casualty, taking or other event or if an Event of Default occurs thereafter, Lender shall have the right to immediately apply all insurance proceeds, awards or compensation to the payment of Borrower's Liabilities in such order and manner as Lender may determine. Lender shall have the right at all times to apply such net proceeds to the cure of any Event of Default or the performance of any obligations of Mortgagor under the Loan Instruments.

1.6.6 Proceeds of Business Interruption and Rental Insurance. The net proceeds of business interruption and rental insurance shall be paid to Lender for application first to Borrower's Liabilities in such order and manner as Lender may elect and then to the creation of reserves for future payments of Borrower's Liabilities in such amounts as Lender deems necessary with the balance to be remitted to Mortgagor subject to such controls as Lender may deem necessary to assure that said balance is used to discharge accrued and to be accrued expenses of operation and maintenance of the Mortgaged Property.

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1.6.7 Renewal of Policies. At least thirty (30) days prior to the expiration date of any policy evidencing insurance required under this Section 1.6.7, a renewal thereof satisfactory to Lender shall be delivered to Lender or substitution therefor, together with receipts or other evidence of the payment of any premiums then due on such renewal policy or substitute policy.

1.6.8 Insurance Escrow. Mortgagor shall, in order to secure the performance and discharge of Mortgagor's obligations under this Section 1.6, but not in lieu of such obligations, deposit with Lender on the first day of each calendar month throughout the term of the Loan, a sum in an amount determined by Lender from time to time by written notice to Mortgagor, in order to accumulate funds sufficient to permit Lender to pay all premiums payable in connection with the insurance required hereunder at least thirty (30) days prior to the date or dates on which they shall become due. Mortgagor hereby pledges to Lender, and grants to Lender a security interest in, any and all such deposits as security for the Loan. Upon demand by Lender, Mortgagor shall deliver to Lender such additional monies as are required to satisfy any deficiencies in the amounts necessary to enable Lender to pay such premiums thirty (30) days prior to the date they shall become due. Any deposits received pursuant to this Section 1.6.8 shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of Lender and Lender shall have no obligation to pay interest on amounts deposited with Lender pursuant to this Section 1.6.8. If any Event of Default occurs, any part or all of the amounts then on deposit or thereafter deposited with Lender under this Section 1.6.8 may at Lender's option be applied to payment of Borrower's Liabilities in such order as Lender may determine.

1.7 Non-Impairment of Lender's Rights. Nothing contained in this Mortgage shall be deemed to limit or otherwise affect any right or remedy of Lender under any provision of this Mortgage or of any statute or rule of law to pay and, upon Mortgagor's failure to pay the same, Lender may pay any amount required to be paid by Mortgagor under Sections 1.4, 1.5 and 1.6 and the amount so paid by Lender shall bear interest at the Default Rate (as defined in the Note), and, together with interest, shall be added to Borrower's Liabilities. Mortgagor shall pay to Lender on demand the amount so paid by Lender, together with all accrued and unpaid interest thereon. The provisions of Section 1.4.3 are solely for the added protection of Lender and entail no responsibility on Lender's part beyond the allowing of due credit as specifically provided therein. Upon assignment of this Mortgage, any funds on hand shall be turned over to the assignee and any responsibility of Lender with respect to such funds shall terminate.

1.8 Care of the Mortgaged Property. Mortgagor shall preserve and maintain the Mortgaged Property in good and first class condition and repair. Mortgagor shall not, without the prior written consent of Lender, permit, commit or suffer any waste, impairment or deterioration of the Mortgaged Property or of any part thereof, and will not take any action which will increase the risk of fire or other hazard to the Mortgaged Property or to any part thereof. Except as otherwise provided in this Mortgage or as required by the terms of the Subleases, no new improvements shall be constructed on the Mortgaged Property and no

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part of the Mortgaged Property shall be removed, demolished or altered in any material manner without the prior written consent of Lender.

1.9 Transfer or Encumbrance of the Mortgaged Property. Mortgagor shall not permit or suffer to occur any sale, assignment, conveyance, transfer, mortgage, lease (other than leases made in accordance with the provisions of this Mortgage) or encumbrance of, or any contract for any of the foregoing on an installment basis or otherwise pertaining to, the Mortgaged Property, any part thereof, any interest therein, the beneficial interest in Mortgagor or in any trust holding title to the Mortgaged Property or any interest in a corporation, partnership or other entity which owns all or part of the Mortgaged Property, whether by operation of law or otherwise, without the prior written consent of Lender having been obtained (i) to the sale, assignment, conveyance, mortgage, lease, option, encumbrance or other transfer and (ii) to the form and substance of any instrument evidencing or contracting for any such sale, assignment, conveyance, mortgage, lease, option, encumbrance or other transfer. Without limitation of the foregoing, Lender may condition its consent upon any combination of (i) the payment of a fee to be set by Lender, (ii) the increase of the interest rate payable under the Note, (iii) the shortening of maturity of the Note and (iv) other modifications of the terms of the Note or the other Loan Instruments. Mortgagor shall not, without the prior written consent of Lender, further assign or permit to be assigned the rents from the Mortgaged Property, and any such assignment without the prior express written consent of Lender shall be null and void. Mortgagor shall not permit any interest in any lease of the Mortgaged Property to be subordinated to any encumbrance on the Mortgaged Property other than the Loan Instruments and any such subordination shall be null and void. Mortgagor agrees that in the event the ownership of the Mortgaged Property, any interest therein or any part thereof becomes vested in a person other than Mortgagor, Lender may, without notice to Mortgagor, deal in any way with such successor or successors in interest with reference to this Mortgage, the Note, the Loan Instruments and Borrower's Liabilities without in any way vitiating or discharging Mortgagor's liability hereunder or Borrower's Liabilities. No sale of the Mortgaged Property, no forbearance to any person with respect to this Mortgage, and no extension to any person of the time for payment of the Note or any other Borrower's Liabilities given by Lender shall operate to release, discharge, modify, change or affect the original liability of Mortgagor, either in whole or in part, except to the extent specifically agreed in writing by Lender. Mortgagor shall not permit the Mortgaged Property or any portion thereof to be submitted to the Condominium Property Act of the State of Illinois by filing a Declaration of Condominium Ownership or otherwise.

1.10 Further Assurances. At any time and from time to time, upon Lender's request, Mortgagor shall make, execute and deliver, or cause to be made, executed and delivered, to Lender, and where appropriate shall cause to be recorded, registered or filed, and from time to time thereafter to be re-recorded, re-registered and refiled at such time and in such offices and places as shall be deemed desirable by Lender, any and all such further mortgages, security agreements, financing statements, instruments of further assurance, certificates and other documents as Lender may consider necessary or desirable in order to effectuate or perfect, or to continue and preserve the obligations under, the Note, this Mortgage, any other Loan Instrument and any instrument evidencing or securing Borrower's Liabilities, and the lien

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of this Mortgage as a lien upon all of the Mortgaged Property, whether now owned or hereafter acquired by Mortgagor, and unto all and every person or persons deriving any estate, right, title or interest under this Mortgage. Upon any failure by Mortgagor to do so, Lender may make, execute, record, register, file, re-record, re-register or re-file any and all such mortgages, instruments, certificates and documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Lender the agent and attorney-in-fact of Mortgagor to do so.

1.11 Security Agreement and Financing Statements.

(a) Mortgagor (as debtor) hereby grants to Lender (as creditor and secured party) a security interest under the Uniform Commercial Code in all of Mortgagor's interest in all fixtures, machinery, appliances, equipment, furniture and personal property of every nature whatsoever constituting part of the Mortgaged Property. Mortgagor shall execute any and all documents, including without limitation financing statements pursuant to the Uniform Commercial Code, as Lender may request to preserve, maintain and perfect the priority of the first lien and security interest created hereby on property which may be deemed personal property or fixtures and shall pay to Lender on demand any expenses incurred by Lender in connection with the preparation, execution and filing of any such documents. Mortgagor hereby authorizes and empowers Lender and irrevocably appoints Lender the agent and attorney-in-fact of Mortgagor to execute and file, on Mortgagor's behalf, all financing statements and refilings and continuations thereof as Lender deems necessary or advisable to create, preserve and protect such lien. When and if Mortgagor and Lender shall respectively become the debtor and secured party in any Uniform Commercial Code financing statement affecting the Mortgaged Property (or Lender takes possession of personal property delivered by Mortgagor where possession is the means of perfection of the security interest), then, at Lender's sole election, this Mortgage shall be deemed a security agreement as defined in such Uniform Commercial Code, and the remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be as prescribed herein or by general law, or, as to such part of the security which is also reflected in such financing statement, by the specific statutory consequences now or hereafter enacted and specified in the Uniform Commercial Code.

(b) Without limitation of the foregoing, if an Event of Default occurs, Lender shall be entitled immediately to exercise all remedies available to it under the Uniform Commercial Code and this Section 1.11. Mortgagor shall, in such event and if Lender so requests, assemble the tangible personal property at Mortgagor's expense, at a convenient place designated by Lender. Lender may publicly or privately sell or otherwise dispose of such fixtures, machinery, appliances, equipment, furniture and personal property upon such terms and in such manner as Lender may require. Mortgagor shall pay all expenses incurred by Lender in the collection of such indebtedness, including attorneys' fees and legal expenses, and in the repair of any real estate or other property to which any

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of the tangible personal property may be affixed. If any notification of intended disposition of any of the personal property is required by law, such notification shall be deemed reasonable and proper if given at least ten (10) days before such disposition. Any proceeds of the disposition of any of the personal property may be applied by Lender to the payment of the reasonable expenses of retaking, holding, preparing for sale and selling the personal property, including attorneys' fees and legal expenses, and any balance of such proceeds may be applied by Lender toward the payment of such of Borrower's Liabilities, and in such order of application, as Lender may from time to time elect. If an Event of Default occurs, Lender shall have the right to exercise and shall automatically succeed to all rights of Mortgagor with respect to intangible personal property subject to the security interest granted herein. Any party to any contract subject to the security interest granted herein shall be entitled to rely on the rights of Lender without the necessity of any further notice or action by Mortgagor. Lender shall not by reason of this Mortgage or the exercise of any right granted hereby be obligated to perform any obligation of Mortgagor with respect to any portion of the personal property nor shall Lender be responsible for any act committed by Mortgagor, or any breach or failure to perform by Mortgagor with respect to any portion of the personal property.

(c) Mortgagor and Lender agree that the filing of a financing statement in the records normally having to do with personal property shall never be construed as in any way derogating from or impairing the express declaration and intention of the parties hereto, hereinabove stated, that everything used in connection with the production of income from the Mortgaged Property and/or adapted for use therein and/or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings, legal or equitable, shall be regarded as part of the real estate encumbered by this Mortgage irrespective of whether (i) any such item is physically attached to the Land or Improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with Lender, or (iii) any such item is referred to or reflected in any such financing statement so filed at any time. Similarly, the mention in any such financing statement of (1) rights in or to the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) Mortgagor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the Mortgaged Property, whether pursuant to lease or otherwise, shall never be construed as in any way altering any of the rights of Lender as determined by this instrument or adversely affecting the priority of Lender's lien granted hereby or by any other recorded document. Any such mention in any such financing statement is declared to be for the protection of Lender in the event any court or judge shall at any time hold with respect to clauses (1), (2) or (3) above, that notice of Lender's priority of interest, to be effective against a particular class of persons, including, but not limited to, the

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federal government and any subdivisions or entity of the federal government, must be filed in the Uniform Commercial Code records.

1.12 Assignment of Rents.

(a) The assignment of rents, income and other benefits contained in Section (G) of the Granting Clauses of this Mortgage shall be fully operative without any further action on the part of either party, and, specifically, Lender shall be entitled, at its option, upon the occurrence of an Event of Default hereunder, to all rents, income and other benefits from the Mortgaged Property, whether or not Lender takes possession of such property. Mortgagor hereby further grants to Lender the right effective upon the occurrence of an Event of Default to do any or all of the following, at Lender's option: (i) enter upon and take possession of the Mortgaged Property for the purpose of collecting the rents, income and other benefits; (ii) dispossess by the usual summary proceedings any subtenant defaulting in the payment thereof to Lender; (iii) lease the Mortgaged Property or any part thereof; (iv) repair, restore and improve the Mortgaged Property; and (v) apply the rents, income and other benefits, after payment of certain expenses and capital expenditures relating to the Mortgaged Property, on account of Borrower's Liabilities in such order and manner as Lender may elect. Such assignment and grant shall continue in effect until Borrower's Liabilities are paid in full, the execution of this Mortgage constituting and evidencing the irrevocable consent of Mortgagor to the entry upon and taking possession of the Mortgaged Property by Lender pursuant to such grant, whether or not foreclosure proceedings have been instituted. Neither the exercise of any rights under this section by Lender nor the application of any such rents, income or other benefits to payment of Borrower's Liabilities shall cure or waive any Event of Default or notice provided for hereunder, or invalidate any act done pursuant hereto or pursuant to any such notice, but shall be cumulative of all other rights and remedies. Mortgagor has executed and delivered to Lender an Assignment of Leases and Rents of even date herewith, and, to the extent that the provisions of this Section 1.12 or Section 1.14 are inconsistent with the provisions of said Assignment of Leases and Rents, the provisions of said Assignment of Leases and Rents shall control. Notwithstanding the foregoing, so long as no Event of Default has occurred or is continuing, Mortgagor shall have the right and authority to continue to collect the rents, income and other benefits from the Mortgaged Property as they become due and payable but not more than thirty (30) days prior to the due date thereof. The existence or exercise of such right of Mortgagor to collect said rents, income and other benefits shall not operate to subordinate this assignment to any subsequent assignment of said rents, income or other benefits, in whole or in part, by Mortgagor, and any such subsequent assignment by Mortgagor shall be subject to the rights of Lender hereunder.

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(b) Mortgagor shall not permit any rent under any sublease of the Mortgaged Property to be collected more than thirty (30) days in advance of the due date thereof and, upon any receiver, Lender, anyone claiming by, through or under Lender or any purchaser at a foreclosure sale coming into possession of the Mortgaged Property, no subtenant shall be given credit for any rent paid more than thirty (30) days in advance of the due date thereof. Mortgagor shall act promptly to enforce all available remedies against any delinquent sublessee so as to protect the interest of the lessor under the subleases and to preserve the value of the Mortgaged Property.

1.13 After-Acquired Property. To the extent permitted by, and subject to, applicable law, the lien of this Mortgage, including without limitation the security interest created under Section 1.11, shall automatically attach, without further act, to all property hereafter acquired by Mortgagor located in or on, or attached to, or used or intended to be used in connection with, or with the operation of, the Mortgaged Property or any part thereof.

1.14 Sub-Leases Affecting Mortgaged Property.

(a) Mortgagor shall comply with and perform in a complete and timely manner all of its obligations as landlord under all subleases affecting the Mortgaged Property or any part thereof. Mortgagor shall give notice to Lender of any default by the landlord under any sublease affecting the Mortgaged Property promptly upon the occurrence of such default, but, in any event, in such time to afford Lender an opportunity to cure any such default prior to the subtenant having any right to terminate the sublease. Any sublease hereinafter made by Mortgagor shall contain a provision requiring the subtenant to notify Lender of any default by landlord and granting an opportunity for a reasonable time after such notice to cure such default prior to any right accruing to the subtenant to terminate such sublease. Mortgagor, if requested by Lender, shall furnish promptly to Lender (i) original or certified copies of all such subleases now existing or hereafter created, as amended from time to time, and (ii) a current rent roll in form satisfactory to Lender. Lender shall have the right to notify at any time and from time to time any subtenant of the Mortgaged Property of any provision of this Mortgage.

(b) The assignment contained in Section (H) of the Granting Clauses shall not be deemed to impose upon Lender any of the obligations or duties of the landlord or Mortgagor provided in any sublease, including, without limitation, any liability under the covenant of quiet enjoyment contained in any sublease in the event that any subtenant shall have been joined as a party defendant in any action to foreclose this Mortgage. Mortgagor hereby acknowledges and agrees that Mortgagor is and will remain liable under such leases to the same extent as though the assignment contained in Section (H) of the Granting Clauses had not been made. Lender disclaims any assumption of the obligations imposed upon the landlord or Mortgagor under the subleases,

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except as to such obligations which arise after such time as Lender shall have exercised the rights and privileges conferred upon it by the assignment contained in Section (H) of the Granting Clauses and assumed full and indefeasible ownership of the collateral thereby assigned. With respect to the assignment contained in Section (H) of the Granting Clauses, Mortgagor shall, from time to time upon request of Lender, specifically assign to Lender as additional security hereunder, by an instrument in writing in such form as may be approved by Lender, all right, title and interest of Mortgagor in and to any and all subleases now or hereafter of or affecting the Mortgaged Property or any part thereof together with all security therefor and all monies payable thereunder, subject to the conditional permission hereinabove given to Mortgagor to collect the rentals under such sublease. Mortgagor shall also execute and deliver to Lender any notification, financing statement or other document required by Lender to perfect the foregoing assignment as to any such lease. The provisions of this Section 1.14 shall be subject to the provisions of Section (H) of the Granting Clauses.

1.15 Management of Mortgaged Property. Mortgagor shall manage the Mortgaged Property at all times in a competent manner.

1.16 Execution of Sub-Leases. Mortgagor shall not permit any subleases to be made of the Mortgaged Property or existing subleases to be modified, terminated, extended or renewed without the prior written consent of Lender. Notwithstanding the foregoing, Lender's consent is deemed given to the extent any current subtenant exercises an option to renew, extend or expand under an existing Sublease. Additionally, if Lender shall fail to respond to a request by Mortgagor for any such consent for a period of more than thirty (30) days following Lender's receipt of such request, then such request shall be deemed granted. If Lender consents to any new sublease or the renewal of any existing sublease, at Lender's request, Mortgagor shall cause the subtenant thereunder to execute a subordination and attornment agreement in form and substance satisfactory to Lender.

1.17 Expenses. Mortgagor shall pay when due and payable, and otherwise on demand made by Lender, all loan fees, appraisal fees, recording fees, taxes, brokerage fees and commissions, abstract fees, title insurance fees, escrow fees, attorneys' fees, court costs, documentary and expert evidence, fees of inspecting architects and engineers, and all other costs and expenses of every character which have been incurred or which may hereafter be incurred by Lender in connection with any of the following:

- (a) The preparation, execution, delivery and performance of the Loan Instruments;
- (b) The funding of the Loan;
- (c) Any court or administrative proceeding involving Mortgagor, the Mortgaged Property or the Loan Instruments to which Lender is made a party or is subject to subpoena by reason of its being a holder of any of the

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Loan Instruments, including without limitation bankruptcy, insolvency, reorganization, probate, eminent domain, condemnation, building code and zoning proceedings;

(d) Any court or administrative proceeding or other action undertaken by Lender to enforce any remedy or to collect any indebtedness due under this Mortgage or any of the other Loan Instruments following a default thereunder, including without limitation a foreclosure of this mortgage or a public or private sale under the Uniform Commercial Code;

(e) Any remedy exercised by Lender following an Event of Default including foreclosure of this Mortgage and actions in connection with taking possession of the Mortgaged Property or collecting rents assigned hereby and by the Assignment of Leases and Rents;

(f) Any activity in connection with any request by Mortgagor or anyone acting on behalf of Mortgagor that Lender consent to a proposed action which, pursuant to this Mortgage or any of the other Loan Instruments may be undertaken or consummated only with the prior consent of Lender, whether or not such consent is granted; or

(g) Any negotiation undertaken between Lender and Mortgagor or anyone acting on behalf of Mortgagor pertaining to the existence or cure of any default under or the modification or extension of any of the Loan Instruments.

If Mortgagor fails to pay said costs and expenses as above provided, Lender may elect, but shall not be obligated, to pay the costs and expenses described in this Section 1.17, and if Lender does so elect, then the amounts paid by Lender shall bear interest at the Default Rate and, together with interest, shall be added to Borrower's Liabilities. Mortgagor will, upon demand by Lender, reimburse Lender for all such expenses, together with all accrued and unpaid interest thereon. In the event of foreclosure hereof, Lender shall be entitled to add to the indebtedness found to be due by the court a reasonable estimate of such expenses to be incurred after entry of the decree of foreclosure. To the extent permitted by law, Mortgagor agrees to hold harmless Lender against and from, and reimburse it for, all claims, demands, liabilities, losses, damages, judgments, penalties, costs and expenses, including without limitation attorneys' fees, which may be imposed upon, asserted against, or incurred or paid by it by reason of or in connection with any bodily injury or death or property damage occurring in or upon or in the vicinity of the Mortgaged Property through any cause whatsoever, or asserted against it on account of any act performed or omitted to be performed hereunder, or on account of any transaction arising out of or in any way connected with the Mortgaged Property, this Mortgage, the other Loan Instruments, any of the indebtedness evidenced by the Note or any of Borrower's Liabilities.

1.18 Lender's Performance of Mortgagor's Obligations. If Mortgagor fails to pay any tax, assessment, encumbrance or other imposition, or to furnish insurance hereunder,

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or to perform any other covenant, condition or term in this Mortgage, the Note or any other Loan Instrument, Lender may, but shall not be obligated to, pay, obtain or perform the same. All payments made, whether such payments are regular or accelerated payments, and costs and expenses incurred or paid by Lender in connection therewith shall be due and payable immediately. The amounts so incurred or paid by Lender shall bear interest at the Default Rate and, together with interest, shall be added to Borrower's Liabilities. Lender is hereby empowered to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing or observing any covenant, condition or term that Mortgagor has failed to perform or observe, without thereby becoming liable to Mortgagor or any person in possession holding under Mortgagor. Performance or payment by Lender of any obligation of Mortgagor shall not relieve Mortgagor of such obligation or of the consequences of having failed to perform or pay the same and shall not effect the cure of any Event of Default.

1.19 Payment of Superior Liens. To the extent that Lender, after the date hereof, pays any sum due under any provision of law or instrument or document creating any lien superior or equal in priority in whole or in part to the lien of this Mortgage, Lender shall have and be entitled to a lien on the premises equal in parity with that discharged, and Lender shall be subrogated to and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such lien, which shall remain in existence and benefit Lender to secure the Note and all obligations and liabilities secured hereby. Lender shall be subrogated, notwithstanding their release of record, to mortgages, trust deeds, superior titles, vendors' liens, mechanics' and materialmen's liens, charges, encumbrances, rights and equities on the Mortgaged Property to the extent that any obligation under any thereof is paid or discharged with proceeds of disbursements or advances under the Note or other indebtedness secured hereby.

1.20 Books and Records. Mortgagor shall keep and maintain at all times complete, true and accurate books of account and records reflecting the results of the operation of the Mortgaged Property. Mortgagor shall furnish to Lender within ninety (90) days after the end of Mortgagor's fiscal year, financial statements of the Mortgaged Property and each guarantor of the Loan, including without limitation (i) an operating statement and rent roll pertaining to the Mortgaged Property and (ii) a balance sheet for Mortgagor and for each guarantor of the Loan. All balance sheets shall state annual income and all contingent liabilities. All statements of Mortgagor and statements pertaining to the Mortgaged Property shall be prepared in accordance with generally accepted accounting principles and shall be certified by the President or a Vice President of Mortgagor as being true, correct and complete. Mortgagor shall cause statements pertaining to each guarantor of the Loan to be prepared in accordance with generally accepted accounting principles and certified by such guarantor as being true, correct and complete. In the event that Mortgagor fails to comply with the requirements set forth above, Lender shall have the right to have Mortgagor's books and records audited by an independent certified public accountant, and the cost of such audit shall be the obligation of Mortgagor. Lender and its designated agents shall have the right to inspect Mortgagor's books and records with respect to the Mortgaged Property at all reasonable times. In the event of a foreclosure of this Mortgage, all of Mortgagor's books and records maintained in connection with the Mortgaged Property shall be made available to the successful bidder at

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the foreclosure sale for inspection and copying for a period of not less than three (3) years following said sale.

1.21 Estoppel. Mortgagor, within ten (10) days after written request from Lender, shall furnish a written statement executed by Mortgagor setting forth the unpaid principal of, and interest on, the Note, and any other unpaid sums secured hereby, and whether or not any offsets or defenses are claimed to exist against the payment of such principal and interest or other sums and, if any such offsets or defenses are claimed, the specific basis and amount of each such claim. If Mortgagor objects to the principal, interest or escrow amount or the application of any payment shown on any written statement, receipt, invoice or other written notice received by Mortgagor or any partner or officer of Mortgagor, Mortgagor shall raise such objection by written notice to Lender within ninety (90) days following receipt of such statement, receipt, invoice or other written notice or else such objection shall be deemed waived by Mortgagor and such other parties. Lender shall furnish to Mortgagor a written statement executed by Lender setting forth the unpaid principal of and interest on the Note and any other unpaid sums secured hereby, upon Mortgagor's written request.

1.22 Use of the Mortgaged Property. The Mortgaged Property shall be used only for retail and automobile parking. Without limitation of the foregoing, Mortgagor shall not suffer or permit the Mortgaged Property, or any portion thereof, to be used by the public in such manner as might unreasonably tend to impair Mortgagor's title to the Mortgaged Property or any portion thereof, or in such manner as might reasonably make possible a claim or claims of easement by prescription or adverse possession by the public, as such, or of implied dedication of the Mortgaged Property or any portion thereof. Further, without limitation of the foregoing, Mortgagor shall not use or permit the use of the Mortgaged Property or any portion thereof for any unlawful purpose.

1.23 Litigation Involving Mortgaged Property. Mortgagor shall promptly, following receipt by Mortgagor of notice of same, notify Lender of any litigation, administrative procedure or proposed legislative action initiated against Mortgagor or the Mortgaged Property or in which the Mortgaged Property is directly or indirectly affected including any proceedings which seek to (i) enforce any lien against the Mortgaged Property, (ii) correct, change or prohibit any existing condition, feature or use of the Mortgaged Property, (iii) condemn or demolish the Mortgaged Property, (iv) take, by the power of eminent domain, any portion of the Mortgaged Property or any property which would damage the Mortgaged Property, (v) modify the zoning applicable to the Mortgaged Property, or (vi) otherwise adversely affect the Mortgaged Property. Mortgagor shall initiate or appear in any legal action or other appropriate proceedings when necessary to protect the Mortgaged Property from damage. Mortgagor shall, upon written request of Lender, represent and defend the interests of Lender in any proceedings described in this Section 1.23 or, at Lender's election, pay the fees and expenses of any counsel retained by Lender to represent the interest of Lender in any such proceedings, in which event such fees and expenses shall be added to Borrower's Liabilities and shall bear interest at the Default Rate.

1.24 Environmental Conditions.

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(a) Mortgagor represents and warrants, to the best of its knowledge, and covenants that there are no, nor will there, for so long as any of Borrower's Liabilities remain outstanding, be, any Hazardous Materials (as hereinafter defined) generated, released, stored, buried or deposited over, beneath, in or upon the Mortgaged Property, except as such Hazardous Materials may be used, stored or transported in connection with the permitted uses of the Mortgaged Property and then only to the extent permitted by law after obtaining all necessary permits and licenses therefor. For purposes of this Mortgage, "Hazardous Materials" shall mean and include any pollutants, flammables, explosives, petroleum (including crude oil) or any fraction thereof, radioactive materials, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of toxic or hazardous substances, wastes, or materials under any federal, state or local laws, ordinances, regulations or guidances which regulate, govern, prohibit or pertain to the generation, manufacture, use, transportation, disposal, release, storage, treatment of, or response or exposure to, toxic or hazardous substances, wastes or materials. Such laws, ordinances and regulations are hereinafter collectively referred to as the "Hazardous Materials Laws."

(b) Mortgagor shall, and Mortgagor shall cause all employees, agents, contractors and subcontractors of Mortgagor and any other persons from time to time present on or occupying the Mortgaged Property to, keep and maintain the Mortgaged Property in compliance with, and not cause or knowingly permit the Mortgaged Property to be in violation of, any applicable Hazardous Materials Laws. Neither Mortgagor nor any employees, agents, contractors or subcontractors of Mortgagor or any other persons occupying or present on the Mortgaged Property shall use, generate, manufacture, store or dispose of on, under or about the Mortgaged Property or transport to or from the Mortgaged Property any Hazardous Materials, except as such Hazardous Materials may be used, stored or transported in connection with the permitted uses of the Mortgaged Property and then only to the extent permitted by law after obtaining all necessary permits and licenses therefor.

(c) Mortgagor shall immediately advise Lender in writing of: (i) any notices received by Mortgagor (whether such notices are from the Environmental Protection Agency, or any other federal, state or local governmental agency or regional office thereof) of the violation or potential violation occurring on or about the Mortgaged Property of any applicable Hazardous Materials Laws; (ii) any and all enforcement, cleanup, removal or other governmental or regulatory actions of which Mortgagor has knowledge, instituted, completed or threatened pursuant to any Hazardous Materials Laws; (iii) all claims made or threatened by any third party against Mortgagor or the Mortgaged Property, relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i), (ii) and (iii) above are hereinafter referred to as

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"Hazardous Materials Claims"); and (iv) Mortgagor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Mortgaged Property that could cause the Mortgaged Property or any part thereof to be subject to any Hazardous Materials Claims. Lender shall have the right but not the obligation to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and Mortgagor shall pay to Lender, upon demand, all attorneys' and consultants' fees incurred by Lender in connection therewith.

(d) Mortgagor shall be solely responsible for, and shall indemnify and hold harmless Lender, its directors, officers, employees, agents, successors and assigns from and against, any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence (whether prior to or during the term of the Loan or otherwise and regardless of by whom caused, whether by Mortgagor or any predecessor in title or any owner of land adjacent to the Mortgaged Property or any other third party, or any employee, agent, contractor or subcontractor of Mortgagor or any predecessor in title or any such adjacent land owner or any third person) of Hazardous Materials on, under or about the Mortgaged Property; including, without limitation: (i) claims of third parties (including governmental agencies) for damages, penalties, losses, costs, fees, expenses, damages, injunctive or other relief; (ii) response costs, clean-up costs, costs and expenses of removal and restoration, including fees of attorneys and experts, and costs of determining the existence of Hazardous Materials and reporting same to any governmental agency; and (iii) any and all expenses or obligations, including attorneys' fees, incurred at, before and after any trial or appeal therefrom whether or not taxable as costs, including, without limitation, attorneys' fees, witness fees, deposition costs, copying and telephone charges and other expenses. The obligations of Mortgagor under this subsection shall survive any of the foreclosure of this Mortgage, the repayment of Borrower's Liabilities, or other satisfaction of the indebtedness secured by this Mortgage, whether by deed in lieu of foreclosure or otherwise.

(e) Mortgagor hereby represents, warrants and certifies that: (i) the execution and delivery of the Loan Instruments is not a transfer of "real property", as "real property" is defined in the Illinois Responsible Property Transfer Act (765 ILCS 90/1 et seq.), as amended from time to time ("RPTA"); (ii) there are no underground storage tanks located on, under or about the Mortgaged Property which are subject to the notification requirements under Section 9002 of the Solid Waste Disposal Act, as now or hereafter amended (42 U.S.C. § 6991); and (iii) there is no facility located on or at the Mortgaged Property which is subject to the reporting requirements of Section 312 of the federal Emergency Planning and Community Right to Know Act of 1986 and the federal regulations promulgated thereunder (42 U.S.C. § 11022), as "facility" is defined in RPTA.

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(f) Any loss, damage, cost, expense or liability incurred by Lender as a result of a breach or misrepresentation by Mortgagor or for which Mortgagor is responsible or for which Mortgagor has indemnified Lender shall be paid to Lender on demand, and, failing prompt reimbursement, such amounts shall, together with interest thereon at the Default Rate from the date incurred by Lender until paid by Mortgagor, be added to Borrower's Liabilities, be immediately due and payable and be secured by the lien of this Mortgage and the other Loan Instruments.

(g) Lender may, in its sole discretion, if Lender has reason to suspect that the Land may be adversely affected by an environmental condition, require Mortgagor, at its sole cost and expense, from time to time to perform or cause to be performed, such studies or assessments of the Mortgaged Property, as Lender may deem necessary or appropriate or desirable, to determine the status of environmental conditions on and about the Mortgaged Property, which such studies and assessments shall be for the benefit of, and be prepared in accordance with the specifications established by, Lender.

(h) Mortgagor hereby grants and agrees to provide to Lender, its agents, employees and contractors, access to the Mortgaged Property, from time to time upon prior written notice for the purpose of either (i) taking such action as Lender shall determine to be appropriate to respond to a release, threatened release, or the presence of Hazardous Materials, or any related condition, on or about the Mortgaged Property; or (ii) conducting such studies or assessments of the Mortgaged Property, as Lender may deem necessary or appropriate or desirable.

1.25 Subject Lease. For so long as Borrowers' Liabilities shall remain outstanding Mortgagor hereby covenants, warrants and represents as follows:

(a) The Subject Lease is and shall be maintained in full force and effect, unmodified by any writing or otherwise, except such modifications as are permitted by Lender.

(b) All rent, additional rent and other charges payable under the Subject Lease have been and will be paid when due.

(c) There are, as of the date hereof, and will be no defenses to Mortgagor's enforcement of its rights under the Subject Lease.

(d) Mortgagor is not in default in the performance of any of its obligations under the Subject Lease, and there are no circumstances which, alone or with the passage of time or the giving of notice or both, would constitute an event of default thereunder.

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(e) As of the date hereof, no lessor under the Subject Lease is in default in the performance of any of its material obligations under the Subject Lease nor is there any circumstance or event which would impair the title of any such lessor to any portion of the Mortgaged Property.

(f) Mortgagor will promptly and faithfully materially observe, perform and comply with all the terms, covenants and provisions of the Subject Lease, on its part to be observed, performed and complied with, at the times set forth therein, and will enforce the material obligations of lessor under the Subject Lease, to the end that Mortgagor may enjoy all of the material rights granted it under the Subject Lease.

(g) Mortgagor will not knowingly do, permit, suffer or refrain from doing, anything, as a result of which, there would be a default or breach of any of the terms of the Subject Lease.

(h) Without Lender's prior written consent, Mortgagor will not cancel or surrender the Subject Lease, nor sublet or assign any of its interest under the Subject Lease nor modify or amend any provision of the Subject Lease.

(i) Mortgagor will give Lender prompt notice of any default by anyone under the Subject Lease, if applicable, and promptly deliver to Lender copies of each notice of default and all other notices of any default by anyone under the Subject Lease, if applicable.

(j) Mortgagor will furnish to Lender such information and evidence as Lender may reasonably request concerning Mortgagor's due observance, performance and compliance with the terms, covenants and provisions of the Subject Lease provided that such information and evidence is reasonably obtainable by Mortgagor.

(k) Fee title to the Land and the estate conveyed by the Subject Lease shall not merge but shall always be kept separate and distinct, notwithstanding the union of said estates in Mortgagor or a third party, whether by purchase or otherwise and accordingly: (i) if Mortgagor acquires the fee title or any other estate, title or interest in the Land demised by the Subject Lease, or any part thereof, the lien of this Mortgage shall attach to, cover and be a lien upon such acquired estate, title or interest and same shall thereupon be and become a part of the Mortgaged Property with the same force and effect as if specifically encumbered herein; and (ii) Mortgagor agrees to execute all instruments and documents which Lender may require to ratify, confirm and further evidence Lender's lien on the acquired estate, title or interest.

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(l) Lender shall have no liability or obligation under the Subject Lease by reason of its acceptance of this Mortgage.

ARTICLE TWO DEFAULTS

2.1 **Event of Default.** The term "Event of Default," wherever used in this Mortgage, shall mean any one or more of the following events:

(a) The failure by Mortgagor: (i) to pay or deposit when due (A) any payment of principal within five (5) days following the date when such payment shall become due and payable under the Note whether at maturity or otherwise; (B) any payment of interest under the Note within five (5) days following the date when such payment shall become due and payable; (C) any deposit for taxes and assessments due hereunder within five (5) days after such deposit is due hereunder; or (D) any other sums to be paid by Mortgagor hereunder within five (5) days after such payment is due hereunder; or (ii) to keep, perform, observe or cause to remain true any covenant, condition, agreement, representation or warranty on the part of Mortgagor in this Mortgage contained in Sections 1.4.1, 1.6.1, 1.6.2, 1.9 or 1.24 hereof; or (iii) to keep, perform, observe or cause to remain true any other covenant, condition, agreement, representation or warranty on the part of Mortgagor in this Mortgage and such failure shall continue for thirty (30) days following the delivery of written notice to Mortgagor; provided, however, if such default is of the kind or nature that (in Lender's judgment) it is curable but is not capable of being cured within thirty (30) days, and provided, further, that Mortgagor has promptly commenced and is diligently proceeding to cure, then if such default is not cured within forty-five (45) days following the delivery of such notice.

(b) The occurrence of a default under any of the Loan Instruments not cured within such cure, grace or other period, if any, provided in such Loan Instrument.

(c) The occurrence of an "Event of Default" under and as defined in any of the Loan Instruments.

(d) The occurrence of a default by Mortgagor under the Subject Lease which is not cured within any applicable cure period, or the occurrence of any other event which, under the Subject Lease, permits the lessor thereunder to exercise any rights or remedies in respect thereof;

(e) The material untruth of any warranty or representation made herein or in any affidavit or certificate executed by Mortgagor or any person

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acting on behalf of Mortgagor in connection with the Loan, the application therefor or the disbursement thereof.

(f) An uninsured loss, damage, destruction or taking by eminent domain or other condemnation proceedings of any substantial portion of the Mortgaged Property or any part of the Mortgaged Property which materially impairs any of the intended uses of the Mortgaged Property.

(g) The appointment of a receiver, trustee or conservator of Mortgagor, all or any part of the Mortgaged Property or Mortgagor's business pertaining to the operation of the Mortgaged Property.

(h) The occurrence of any of the following events:

(i) An admission in writing by a Party in Interest of its inability to pay debts as they become due;

(ii) The institution by a Party in Interest of bankruptcy, reorganization, insolvency or arrangement proceedings of any kind under federal bankruptcy statutes or any similar law (state or federal) now or hereafter existing;

(iii) The institution against a Party in Interest of bankruptcy, reorganization, insolvency or arrangement proceedings of any kind under federal bankruptcy statutes or any similar law (state or federal) now or hereafter existing which proceedings are not dismissed within sixty (60) days of filing;

(iv) The making of a general assignment for the benefit of creditors by a Party in Interest;

(v) The declaration by any court, government or governmental agency of the bankruptcy or insolvency of a Party in Interest;

(vi) The entry of a final judgment against a Party in Interest for \$25,000.00 or more which is not satisfied within thirty (30) days of the date on which such judgment shall have become final and all stays of execution pending appeal or otherwise shall have expired;

(vii) The issuance of a writ or warrant of attachment, levy, seizure or distraint or any similar process against a Party in Interest or all or a material part of the Mortgaged Property which is not stayed within sixty (60) days of issuance or the lapse of any such stay;

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(viii) Any amendment of the agreement creating or governing a Party in Interest, without Lender's prior written consent which consent shall not be unreasonably withheld or delayed; or

(ix) The dissolution, death or declaration, by a court of competent jurisdiction of the mental incompetency, of a Party in Interest unless, in the case of the death of any guarantor, within one hundred fifty (150) days following death, a replacement guarantor, satisfactory to Lender in all respects, assumes all of such guarantor's obligations with respect to the Loan.

For purposes of the foregoing clauses (i) through (ix), "a Party in Interest" shall mean Mortgagor, any general partner of Mortgagor or any guarantor of any portion of the Loan.

(i) The occurrence of any event which, pursuant to the terms of the Loan Instruments, allows Lender to accelerate the maturity of Borrower's Liabilities.

(j) Lender determines that there is a possibility that the Mortgaged Property may be adversely affected by the presence or release of Hazardous Substances.

ARTICLE THREE REMEDIES

3.1 **Acceleration of Maturity.** If an Event of Default shall have occurred, Lender may declare the outstanding principal amount of the Note and the interest accrued thereon and any other of Borrower's Liabilities to be immediately due and payable, and upon such declaration such principal and interest and other Borrower's Liabilities declared due shall immediately become and be due and payable without further demand or notice.

3.2 **Lender's Power of Enforcement.** If an Event of Default shall have occurred, Lender may, either with or without entry or taking possession as provided in this Mortgage or otherwise, and without regard to whether or not Borrower's Liabilities shall have been accelerated, and without prejudice to the right of Lender thereafter to bring an action of foreclosure or any other action for any default existing at the time such earlier action was commenced or arising thereafter, proceed by any appropriate action or proceeding: (a) to enforce payment of the Note and/or any other of Borrower's Liabilities or the performance of any term hereof or any of the other Loan Instruments; (b) to foreclose this Mortgage and to have sold, as an entirety or in separate lots or parcels, the Mortgaged Property; and (c) to pursue any other remedy available to it. Lender may take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, or both, as Lender may

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determine. Without limitation of the foregoing, if an Event of Default shall have occurred, as an alternative to the right of foreclosure for the full indebtedness evidenced by the Note and the interest accrued thereon and any other Borrower's Liabilities, after acceleration thereof, Lender shall have the right to institute partial foreclosure proceedings with respect to the portion of Borrower's Liabilities so in default, as if under a full foreclosure, and without declaring all of Borrower's Liabilities to be immediately due and payable (such proceedings being referred to herein as "**partial foreclosure**"), and provided that, if Lender has not elected to accelerate all of Borrower's Liabilities and a foreclosure sale is made because of default in payment of only a part of Borrower's Liabilities, such sale may be made subject to the continuing lien of this Mortgage for the unmatured part of Borrower's Liabilities. Any sale pursuant to a partial foreclosure, if so made, shall not in any manner affect the unmatured portion of Borrower's Liabilities, but as to such unmatured portion, this Mortgage and the lien thereof shall remain in full force and effect just as though no foreclosure sale had been made. Notwithstanding the filing of any partial foreclosure or entry of a decree of sale therein, Lender may elect, at any time prior to a foreclosure sale pursuant to such decree, to discontinue such partial foreclosure and to accelerate Borrower's Liabilities by reason of any Event of Default upon which such partial foreclosure was predicated or by reason of any other defaults, and proceed with full foreclosure proceedings. Lender may proceed with one or more partial foreclosures without exhausting its right to proceed with a full or partial foreclosure sale for any unmatured portion of Borrower's Liabilities, it being the purpose to permit, from time to time a partial foreclosure sale for any matured portion of Borrower's Liabilities without exhausting the power to foreclose and to sell the Mortgaged Property pursuant to any partial foreclosure in respect of any other portion of Borrower's Liabilities, whether matured at the time or subsequently maturing, and without exhausting at any time the right of acceleration and the right to proceed with a full foreclosure.

3.3 Lender's Right to Enter and Take Possession, Operate and Apply Income.

(a) If an Event of Default shall have occurred, (i) Mortgagor, upon demand of Lender, shall forthwith surrender to Lender the actual possession of the Mortgaged Property, and to the extent permitted by law, Lender itself, or by such officers or agents as it may appoint, is hereby expressly authorized to enter and take possession of all or any portion of the Mortgaged Property and may exclude Mortgagor and the agents and employees of Mortgagor wholly therefrom and shall have joint access with Mortgagor to the books, papers and accounts of Mortgagor; and (ii) notwithstanding the provisions of any lease or other agreement to the contrary, Mortgagor shall pay monthly in advance to Lender, on Lender's entry into possession, or to any receiver appointed to collect the rents, income and other benefits of the Mortgaged Property, the fair and reasonable rental value for the use and occupation of such part of the Mortgaged Property as may be in possession of Mortgagor, or any entity affiliated with or controlled by Mortgagor, and upon default in any such payment Mortgagor shall vacate and surrender possession of such part of the Mortgaged Property to

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Lender or to such receiver, and in default thereof Mortgagor may be evicted by summary proceedings or otherwise.

(b) If Mortgagor shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof after Lender's demand, Lender may obtain a judgment or decree conferring on Lender the right to immediate possession or requiring Mortgagor to deliver immediate possession of all or part of the Mortgaged Property to Lender, to the entry of which judgment or decree Mortgagor hereby specifically consents. Mortgagor shall pay to Lender, upon demand, all costs and expenses of obtaining such judgment or decree and reasonable compensation to Lender, its attorneys and agents, and all such costs, expenses and compensation shall, until paid, be secured by the lien of this Mortgage.

(c) Upon every such entering upon or taking of possession, Lender, to the extent permitted by law, may hold, store, use, operate, manage and control the Mortgaged Property and conduct the business thereof, and, from time to time:

(i) perform such construction, make all necessary and proper maintenance, repairs, renewals, replacements, additions and improvements thereto and thereon, and purchase or otherwise acquire additional fixtures and personal property;

(ii) insure or keep the Mortgaged Property insured;

(iii) manage and operate the Mortgaged Property and exercise all the rights and powers of Mortgagor, on its behalf or otherwise, with respect to the same;

(iv) enter into agreements with others to exercise the powers herein granted Lender, all as Lender from time to time may determine; and Lender may collect and receive all the rents, income and other benefits of the Mortgaged Property, including those past due as well as those accruing thereafter; and shall apply the monies so received by Lender, in such order and manner as Lender may determine, to (1) the payment of interest, principal and other payments due and payable on the Note or pursuant to this Mortgage or to any other Borrower's Liabilities, (2) deposits for taxes and assessments, (3) the payment or creation of reserves for payment of insurance, taxes, assessments and other proper charges or liens or encumbrances upon the Mortgaged Property or any part thereof, and (4) the compensation, expenses and disbursements of the agents, attorneys and other representatives of Lender; and

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(v) exercise such remedies as are available to Lender under the Loan Instruments or at law or in equity.

Lender shall surrender possession of the Mortgaged Property to Mortgagor only when all Borrower's Liabilities shall have been paid in full and all other defaults have been cured. However, the same right to take possession shall exist if any subsequent Event of Default shall occur.

3.4 Sub-Leases. Lender is authorized to foreclose this Mortgage subject to the rights, if any, of any or all subtenants of the Mortgaged Property, even if the rights of any such subtenants are or would be subordinate to the lien of this Mortgage. Lender may elect to foreclose the rights of some subordinate subtenants while foreclosing subject to the rights of other subordinate subtenants. The failure to make any subordinate subtenant a party defendant to any foreclosure proceedings and to foreclose its rights (i) will not be, nor be asserted by Mortgagor, any junior lien holder, any subtenant or any other party claiming by, through or under Mortgagor to be, a defense to any such foreclosure proceeding or any other proceedings instituted by Lender to collect the sums secured hereby or to collect any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property and (ii) will not, nor shall any subtenant assert that, such failure will, have the effect of giving such subtenant any right to vacate the leased premises or of creating a tenancy other than set forth in the applicable lease. Each lease entered into by Mortgagor subsequent to the date hereof shall provide that, and any subtenant under any such lease shall be subject to the following provisions whether or not such lease shall so provide, (i) Lender, at its election, may execute and record an instrument which shall be deemed to cause such lease to be either prior or subordinate (whichever Lender elects) to the lien of this Mortgage, (ii) upon any foreclosure hereof or the acceptance of a deed in lieu of foreclosure, the subtenant under any such lease (other than a lease which is subordinate to the lien hereof and which is foreclosed in such foreclosure proceedings) shall attorn to the grantee in the deed or other purchaser at the sale and (iii) the subtenant thereunder shall execute and deliver any confirmatory instruments which Lender may request in connection therewith. A failure by any such subtenant to comply with any of the foregoing provisions shall constitute a default under such lease. Lender shall be made, constituted and irrevocably appointed as such subtenant's attorney-in-fact so to do in the event that subtenant shall fail to comply within ten (10) days after written demand from Lender. The omission of any such provision from any such lease or the failure to record any such instrument shall not affect Lender's rights under this Section 3.4.

3.5 Purchase by Lender. Upon any foreclosure sale, Lender may bid for and purchase all or any portion of the Mortgaged Property and, upon compliance with the terms of the sale, may hold, retain and possess and dispose of such property in its own absolute right without further accountability.

3.6 Application of Foreclosure Sale Proceeds. The proceeds of any foreclosure sale of the Mortgaged Property or any part thereof received by Lender shall be applied by Lender to the indebtedness secured hereby in such order and manner as Lender may elect in a written notice to Mortgagor given on or before sixty (60) days following confirmation

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of the sale and, in the absence of such election, first to the expenses of sale, then to expenses including attorneys' fees of the foreclosure proceeding, then to interest and then to principal.

3.7 Application of Indebtedness Toward Purchase Price. Upon any foreclosure sale, Lender may apply any or all of the indebtedness and other sums due to Lender under the Note, this Mortgage or any other Loan Instrument to the price paid by Lender at the foreclosure sale.

3.8 Waiver of Appraisal, Valuation, Stay, Extension and Redemption Laws. Mortgagor hereby waives any and all rights of redemption. Mortgagor further agrees, to the full extent permitted by law, that in case of an Event of Default, neither Mortgagor nor anyone claiming through or under it will set up, claim or seek to take advantage of any reinstatement, appraisal, valuation, stay or extension laws now or hereafter in force, or take any other action which would prevent or hinder the enforcement or foreclosure of this Mortgage or the absolute sale of the Mortgaged Property or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser thereat. Mortgagor, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof and agrees that Lender or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property in part or as an entirety. Mortgagor acknowledges that the transaction of which this Mortgage is a part is a transaction which does not include either agricultural real estate (as defined in Section 15-1201 of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15 - 1101 et seq.) (herein called the "Act")) or residential real estate (as defined in Section 15-1219 of the Act), and to the full extent permitted by law, hereby voluntarily and knowingly waives its rights to reinstatement and redemption as allowed under Section 15-1601 of the Act.

3.9 Receiver - Lender in Possession. If an Event of Default shall have occurred, Lender, to the extent permitted by law and without regard to the value of the Mortgaged Property or the adequacy of the security for the indebtedness and other sums secured hereby, shall be entitled as a matter of right and without any additional showing or proof, at Lender's election, to either the appointment by the court of a receiver (without the necessity of Lender posting a bond) to enter upon and take possession of the Mortgaged Property and to collect all rents, income and other benefits thereof and apply the same as the court may direct or to be placed by the court into possession of the Mortgaged Property as mortgagee in possession with the same power herein granted to a receiver and with all other rights and privileges of a mortgagee in possession under law. The right to enter and take possession of and to manage and operate the Mortgaged Property, and to collect all rents, income and other benefits thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law and may be exercised concurrently therewith or independently thereof. Lender shall be liable to account only for such rents, income and other benefits actually received by Lender, whether received pursuant to this Section 3.9 or Section 3.3. Notwithstanding the appointment of any receiver or other custodian, Lender shall be entitled as pledgee to the possession and control of any cash,

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deposits or instruments at the time held by, or payable or deliverable under the terms of this Mortgage to Lender.

3.10 Suits to Protect the Mortgaged Property. Lender shall have the power and authority (but not the duty) to institute and maintain any suits and proceedings as Lender may deem advisable (a) to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or which violate the terms of this Mortgage, (b) to preserve or protect its interest in the Mortgaged Property, or (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order might impair the security hereunder or be prejudicial to Lender's interest.

3.11 Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting Mortgagor, Lender, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have its claims allowed in such proceedings for the entire amounts due and payable under the Note, this Mortgage and any other Loan Instrument, at the date of the institution of such proceedings, and for any additional amounts which may become due and payable after such date.

3.12 Mortgagor to Pay Borrower's Liabilities in Event of Default; Application of Monies by Lender.

(a) Upon occurrence of an Event of Default, Lender shall be entitled to sue for and to recover judgment against Mortgagor for Borrower's Liabilities due and unpaid together with costs and expenses, including, without limitation, the reasonable compensation, expenses and disbursements of Lender's agents, attorneys and other representatives, either before, after or during the pendency of any proceedings for the enforcement of this Mortgage; and the right of Lender to recover such judgment shall not be affected by any taking of possession or foreclosure sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the terms of this Mortgage, or the foreclosure of the lien hereof.

(b) In case of a foreclosure sale of all or any part of the Mortgaged Property and of the application of the proceeds of sale to the payment of Borrower's Liabilities, Lender shall be entitled to enforce all other rights and remedies under the Loan Instruments.

(c) Mortgagor hereby agrees, to the extent permitted by law, that no recovery of any judgment by Lender under any of the Loan Instruments, and no attachment or levy of execution upon any of the Mortgaged Property or any other property of Mortgagor, shall (except as otherwise provided by law) in any way affect the lien of this Mortgage upon the Mortgaged Property or any part thereof or any lien, rights, powers or remedies of Lender hereunder, but such

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lien, rights, powers and remedies shall continue unimpaired as before until Borrower's Liabilities are paid in full.

(d) Any monies collected or received by Lender under this Section 3.12 shall be applied to the payment of compensation, expenses and disbursements of the agents, attorneys and other representatives of Lender, and the balance remaining shall be applied to the payment of Borrower's Liabilities, in such order and manner as Lender may elect, and any surplus, after payment of all Borrower's Liabilities, shall be paid to Mortgagor.

3.13 Delay or Omission. No delay or omission of Lender in the exercise of any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy, or be construed to waive any such Event of Default or to constitute acquiescence therein. Every right, power and remedy given to Lender may be exercised from time to time and as often as may be deemed expedient by Lender.

3.14 Waiver of Default. No waiver of any Event of Default hereunder shall extend to or affect any subsequent or any other Event of Default then existing, or impair any rights, powers or remedies in respect thereof. If Lender (a) grants forbearance or an extension of time for the payment of any sums secured hereby, (b) takes other or additional security for the payment thereof, (c) waives or does not exercise any right granted in the Note, this Mortgage or any other Loan Instrument, (d) releases any part of the Mortgaged Property from the lien of this Mortgage or any other Loan Instrument, (e) consents to the filing of any map, plat or replat of the Land, (f) consents to the granting of any easement on the Land, or (g) makes or consents to any agreement changing the terms of this Mortgage or subordinating the lien or any charge hereof, no such act or omission shall release, discharge, modify, change or affect the lien of this Mortgage or any other Loan Instrument or the liability under the Note or other Loan Instruments of Mortgagor, any subsequent purchaser of the Mortgaged Property or any part thereof, or any maker, co-signer, endorser, surety or guarantor, except as otherwise expressly provided in an instrument or instruments executed by Lender. Except as otherwise expressly provided in an instrument or instruments executed by Lender, no such act or omission shall preclude Lender from exercising any right, power or privilege herein granted or intended to be granted in case of any Event of Default then existing or of any subsequent Event of Default, nor shall the lien of this Mortgage be altered thereby, except to the extent of any releases as described in clause (d), above, of this Section 3.14.

3.15 Discontinuance of Proceedings; Position of Parties Restored. If Lender shall have proceeded to enforce any right or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or such proceedings shall have resulted in a final determination adverse to Lender, then and in every such case Mortgagor and Lender shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Lender shall continue as if no such proceedings had occurred or had been taken.

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3.16 **Remedies Cumulative.** No right, power or remedy conferred upon or reserved to Lender by the Note, this Mortgage or any other Loan Instrument or any instrument evidencing or securing Borrower's Liabilities is exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or under the Note or any other Loan Instrument or any instrument evidencing or securing Borrower's Liabilities, or now or hereafter existing at law, in equity or by statute.

3.17 **Interest After Event of Default.** If an Event of Default shall have occurred, all sums outstanding and unpaid under the Note and all other Borrower's Liabilities shall, to the extent permitted by law, bear interest thereafter at the Default Rate until such Event of Default is cured.

ARTICLE FOUR MISCELLANEOUS PROVISIONS

4.1 **Heirs, Successors and Assigns Included in Parties.** Whenever Mortgagor or Lender is named or referred to herein, heirs and successors and assigns of such person or entity shall be included, and all covenants and agreements contained in this Mortgage shall bind the successors and assigns of Mortgagor, including any subsequent owner of all or any part of the Mortgaged Property and inure to the benefit of the successors and assigns of Lender. This Section 4.1 shall not be construed to permit an assignment, transfer, conveyance, encumbrance or other disposition otherwise prohibited by this Mortgage.

4.2 **Notices.** All notices, requests, reports, demands or other instruments required or contemplated to be given or furnished under this Mortgage to Mortgagor or Lender shall be directed to Mortgagor or Lender as the case may be at the following addresses:

If to Lender:

LaSalle Bank NI
3201 North Ashland Avenue
Chicago, Illinois 60657
Attention: Ann B. Josephson

with a copy to:

Goldberg, Kohn, Bell, Black,
Rosenbloom & Moritz, Ltd.
55 East Monroe Street
Suite 3700
Chicago, Illinois 60603
Attention: Michael B. Manuel

If to Mortgagor:

Mid-City Realty Corp.
400 West Erie
Suite 502
Chicago, Illinois 60610

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Attention: William Sommerfeld

with a copy to:

Schwartz & Freeman
401 North Michigan Avenue
Suite 1900
Chicago, Illinois 60611
Attention: Donald F. Engel

Any such notices, requests, reports, demands or other instruments shall be (i) personally delivered to the offices set forth above, in which case they shall be deemed delivered on the date of delivery to said offices, (ii) sent by certified mail, return receipt requested, in which case they shall be deemed delivered three (3) business days after deposit in the U.S. mail, postage prepaid, or (iii) sent by air courier (Federal Express or like service), in which case they shall be deemed delivered on the date of actual delivery. Either party may change the address to which any such notice, report, demand or other instrument is to be delivered by furnishing written notice of such change to the other party in compliance with the foregoing provisions.

4.3 Headings. The headings of the articles, sections, paragraphs and subdivisions of this Mortgage are for convenience only, are not to be considered a part hereof, and shall not limit, expand or otherwise affect any of the terms hereof.

4.4 Invalid Provisions. In the event that any of the covenants, agreements, terms or provisions contained in the Note, this Mortgage or in any other Loan Instrument shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein or in the Note or in any other Loan Instrument (or the application of the covenant, agreement, term held to be invalid, illegal or unenforceable, to persons or circumstances other than those in respect of which it is invalid, illegal or unenforceable) shall be in no way affected, prejudiced or disturbed thereby.

4.5 Changes. Neither this Mortgage nor any term hereof may be released, changed, waived, discharged or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the release, change, waiver, discharge or termination is sought. To the extent permitted by law, any agreement hereafter made by Mortgagor and Lender relating to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance. Any holder of a lien or encumbrance junior to the lien of this Mortgage shall take its lien subject to the right of Lender to amend, modify or supplement this Mortgage, the Note or any of the other Loan Instruments, to extend the maturity of Borrower's Liabilities or any portion thereof, to vary the rate of interest chargeable under the Note and to increase the amount of the indebtedness secured hereby, in each and every case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien.

4.6 Governing Law. This Mortgage shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Illinois.

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4.7 **Required Notices.** Mortgagor shall notify Lender promptly upon receipt of same by Mortgagor of the occurrence of any of the following: (i) receipt of notice from any governmental authority relating to the violation of any rule, regulation, law or ordinance, the enforcement of which would materially and adversely affect the Mortgaged Property; (ii) material default by any subtenant in the performance of its obligations under any lease of all or any portion of the Mortgaged Property or receipt of any notice from any such subtenant claiming that a default by landlord in the performance of its obligations under any such lease has occurred; or (iii) commencement of any judicial or administrative proceedings by or against or otherwise adversely affecting Mortgagor or the Mortgaged Property.

4.8 **Future Advances.** This Mortgage is given to secure not only existing indebtedness, but also future advances (whether such advances are obligatory or are to be made at the option of Lender, or otherwise) made by Lender under the Note, to the same extent as if such future advances were made on the date of the execution of this Mortgage. The total amount of indebtedness that may be so secured may decrease or increase from time to time, but all indebtedness secured hereby shall, in no event, exceed five times the aggregate face amount of the Note.

4.9 **Release.** Upon full payment and satisfaction of Borrower's Liabilities, Lender shall issue to Mortgagor an appropriate release deed in recordable form.

4.10 **Attorneys' Fees.** Whenever reference is made herein to the payment or reimbursement of attorneys' fees, such fees shall be deemed to include compensation to staff counsel, if any, of Lender in addition to the fees of any other attorneys engaged by Lender. All attorneys' fees incurred by Lender in connection with the foreclosure of this Mortgage shall be recoverable in foreclosure.

4.11 **Compliance with Illinois Mortgage Foreclosure Law.** In the event that any provision in this Mortgage shall be inconsistent with any provision of the Act, the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act. If any provision of this Mortgage shall grant to Lender any rights or remedies upon default of Mortgagor which are more limited than the rights that would otherwise be vested in Lender under the Act in the absence of said provision, Lender shall be vested with the rights granted in the Act to the full extent permitted by law. Without limiting the generality of the foregoing, all expenses incurred by Lender to the extent reimbursable under Sections 15-1510 and 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in this Mortgage, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

4.12 **WAIVER OF TRIAL BY JURY.** TO INDUCE LENDER TO MAKE THE LOAN, MORTGAGOR HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES ANY AND ALL RIGHTS WHICH MORTGAGOR MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LEGAL PROCEEDINGS IN WHICH MORTGAGOR AND LENDER ARE ADVERSE PARTIES, IN

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CONNECTION WITH THE NOTE, THIS MORTGAGE OR ANY OF THE OTHER LOAN INSTRUMENTS.

4.13 **CONSENT TO JURISDICTION, SERVICE OF PROCESS.** TO INDUCE LENDER TO MAKE THE LOAN, MORTGAGOR HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY AGREES THAT ALL ACTIONS ARISING DIRECTLY OR INDIRECTLY AS A RESULT OF THE NOTE, THIS MORTGAGE OR ANY OF THE OTHER LOAN INSTRUMENTS SHALL BE INSTITUTED AND LITIGATED ONLY IN COURTS HAVING SITUS IN THE CITY OF CHICAGO, ILLINOIS, AND MORTGAGOR HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT LOCATED AND HAVING SITUS IN SAID CITY OF CHICAGO, AND WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS. MORTGAGOR HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS, AND CONSENTS THAT, AT LENDER'S OPTION, ALL SUCH SERVICE OF PROCESS MAY BE MADE BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, DIRECTED TO MORTGAGOR AT THE ADDRESS FOR MORTGAGOR INDICATED IN SECTION 4.2 ABOVE.

4.14 **Subject Lease.** Nothing contained herein or in any other Loan Instrument shall be deemed to permit Mortgagor to commit any act or to fail to perform any act if, such commission or such failure, as the case may be, would constitute a default under the Subject Lease.

IN WITNESS WHEREOF, Mortgagor has caused this instrument to be executed by its duly authorized officers as of the day and year first above written.

ATTEST:

MID-CITY REALTY CORPORATION,
an Illinois corporation

By [Signature]
Name: TOM CHAC
Title: SECRETARY

By [Signature]
Name: WILLIAM SOMMERFIELD
Title: CHAIRMAN

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ACKNOWLEDGMENT

STATE OF ILLINOIS)
) SS
COUNTY OF COOK

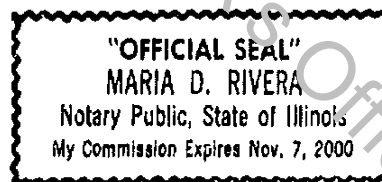
I, Maria D. Rivera, a Notary Public in and for and residing in
said County and State, DO HEREBY CERTIFY THAT
Tom Zajac and William Sommerfeld, the
Secretary and Chairman of MID-CITY REALTY
CORPORATION, an Illinois corporation, personally known to me to be the same persons
whose names are subscribed to the foregoing instrument appeared before me this day in person
and acknowledged that they signed and delivered said instrument as their own free and
voluntary act and as the free and voluntary act of said corporation for the uses and purposes
therein set forth.

GIVEN under my hand and notarial seal this 11th day of March,
1997.

Maria D. Rivera
Notary Public

My Commission Expires:

Nov. 7, 2000



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EXHIBIT A

Form of Note

See Attached.

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NOTE

THIS NOTE (the "Note") dated as of March 14, 1997, is made and executed in Chicago Illinois by Mid-City Realty Corp., an Illinois corporation ("Borrower"), is in the original principal amount of \$705,000 with interest as provided herein, and is payable to the order of LaSalle Bank NT ("Lender").

RECITALS

I. Lender has agreed, subject to certain terms and conditions, to make a loan to Borrower in an amount not to exceed the principal amount hereof (the "Loan"). This Note evidences Borrower's unconditional obligation to repay the Loan. Certain provisions governing the Loan are set forth in a Loan Agreement of even date herewith entered into by Borrower and Lender (the "Loan Agreement").

II. The payment of this Note is secured by (a) a Leasehold Mortgage and Security Agreement executed by Borrower on certain real estate in Cook County, Illinois (the "Mortgaged Property"); (b) an Assignment of Sub-Leases and Rents pertaining to the Mortgaged Property; and (c) a joint and several Guaranty executed by William F. Sommerfeld, Thomas E. Zajac, Leonard Sommerfeld and Constance Sommerfeld. This Note, together with the Loan Agreement, any and all mortgages, security agreements, assignments of leases and rents, guaranties, reimbursement agreements executed in connection with any letters of credit issued by Lender at the request of Borrower and any other documents and instruments now or hereafter executed and delivered in connection with the Loan, and any and all amendments, renewals, extensions and replacements hereof and thereof, are hereafter collectively referred to herein as the "Loan Instruments." The terms of the other Loan Instruments are hereby incorporated, by reference, in this Note.

I PAYMENT TERMS

1.1 **The Promise to Pay.** Borrower hereby promises to pay to the order of Lender the principal amount of \$705,000 together with interest thereon at a rate per annum equal to **Nine and 25/100 percent (9.25%)** in the following manner:

(a) Commencing on the first day of the first full calendar month following the Disbursement Date (defined herein), and on the first day of each of the next seven calendar months thereafter, an installment of interest only accrued on the principal balance outstanding from time to time;

(b) Commencing on the first day of the ninth full calendar month following the Disbursement Date and on the first day of each calendar month

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thereafter until the Maturity Date (defined herein), an installment in the amount of \$ 12,292.01; and

(c) On March 31, 2004 (the "**Maturity Date**"), the entire outstanding principal balance of the Loan and all accrued but unpaid interest thereon, together with all fees and charges payable under the Loan Instruments.

The term "**Disbursement Date**" shall mean the date of the first disbursement of all or any part of the proceeds of the Loan. All payments shall be applied first to any fees and charges payable under the Loan Instruments, then to accrued interest and then to principal in such order and manner as Lender may elect. Interest on each disbursement of proceeds of the Loan shall accrue from the date of disbursement by Lender and shall be computed on the basis of a three hundred sixty (360) day year and charged for the actual number of days elapsed.

1.2 **Unscheduled Payment.** Borrower shall be entitled at any time prior to the Maturity Date to pay, in full, the unpaid principal amount of the Loan, (an "**Unscheduled Payment**"), provided that, simultaneously with such **Unscheduled Payment**, Borrower shall pay to Lender the applicable amount determined pursuant to the formula provided in **Schedule 1** attached hereto (such applicable amount being hereinafter referred to as the "**Unscheduled Payment Consideration**"). The **Unscheduled Payment Consideration** shall be payable whether such **Unscheduled Payment** is made before or after an "**Event of Default**" (as defined in the Mortgage), whether or not the indebtedness evidenced hereby shall have been accelerated, whether or not such **Unscheduled Payment** is required by any provision of this Note or any other Loan Instrument, whether such **Unscheduled Payment** is made voluntarily, or whether such **Unscheduled Payment** is made before or after the commencement of foreclosure proceedings or for any other reason except that no **Unscheduled Payment Consideration** shall be payable as a result of an **Unscheduled Payment** occurring due to the occurrence of a casualty or condemnation. The amount of any **Unscheduled Payment Consideration**, shall be included in any judgment entered in any action to foreclose the Mortgage. If any **Unscheduled Payment** accepted by Lender is not sufficient to pay the indebtedness evidenced hereby, together with the **Unscheduled Payment Consideration**, in full, then such **Unscheduled Payment** shall be applied to the indebtedness evidenced hereby in such order and manner as Lender may elect and no partial payment of the indebtedness evidenced hereby shall operate to defer or reduce the scheduled monthly payments provided for in this Note. If Borrower shall elect to make an **Unscheduled Payment**, Borrower shall give written notice to Lender, which notice shall be irrevocable, of the date on which Borrower proposes to make such **Unscheduled Payment** (the "**Unscheduled Payment Date**"), which **Unscheduled Payment Date** shall be the first day of a calendar month and no earlier than thirty (30) days following delivery of such notice to Lender. On such **Unscheduled Payment Date**, Borrower shall pay the full amount of the **Unscheduled Payment**, together with the **Unscheduled Payment Consideration**, all as determined by Lender. In addition, not more than once every calendar year, provided that no **Event of Default** (hereinafter defined) has occurred, Lender shall accept a partial **Unscheduled Payment** from Borrower provided that

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the amount of such partial Unscheduled Payment is not more than Fifty Thousand Dollars (\$50,000) and in the case of such partial Unscheduled Payment, no Unscheduled Payment Consideration shall be required.

1.3 Place and Manner of Payment. The payment of all amounts due under this Note and under the Mortgage shall be made in "Federal Funds" or other immediately available funds and shall be deemed received only when actually received by Lender in Chicago, Illinois. Payments received after 1:00 p.m. in said location shall be deemed received on the next day Lender is open for business. At Lender's option, Lender may accept payments by check or in form other than immediately available funds, but such payments shall be accepted subject to collection and, at Lender's option, shall be deemed received only when collected. Acceptance by Lender of payments in other than immediately available funds shall not constitute a waiver by Lender of its rights to insist that any subsequent payment be made in immediately available funds.

1.4 Late Payment Fee. In the event any payment due hereunder or any payment or deposit due under the Mortgage is not made when due, Lender, at its option and in addition to any other remedy available to Lender, may impose a late payment fee, which Borrower covenants to pay upon demand calculated at the rate of five percent (5%) of the amount of such delinquent payment or deposit. Any payment or deposit received by Lender may, at the option of Lender, be applied first to any accrued but unpaid late payment fee and then as otherwise provided in this Note or in any of the Loan Instruments.

II ADDITIONAL COVENANTS

2.1 Acceleration. If any payment due under this Note is not made within five (5) days following the due date thereof, such failure to pay shall be an "Event of Default" under this Note. If an Event of Default shall occur hereunder or under and as defined in any of the Loan Instruments, or if the right to foreclose the Mortgage shall accrue to the holder thereof (whether or not foreclosure proceedings have been commenced), then, at the election of the holder of this Note and without notice, the unpaid principal sum, together with accrued interest thereon, shall at once become due and payable and, notwithstanding anything to the contrary herein, shall bear interest at the interest rate which would otherwise be chargeable pursuant to this Note plus four percent (4%) (the "Default Rate"), Lender may, and Borrower hereby authorizes Lender to, charge any account of Borrower held by Lender and apply any and all balances, credits, deposits, accounts, monies, certificates of deposit, cash equivalents and other assets of or in the name of Borrower held by Lender to the indebtedness evidenced hereby, and Lender may pursue all its rights and remedies against Borrower under the Loan Instruments.

2.2 Waivers. Borrower and any other parties hereafter liable for the debt (including, without restricting the foregoing, any endorsers, sureties and guarantors)

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represented by this Note, hereby (a) waive presentment for payment, notice of dishonor, protest and notice of protest, and (b) agree that the time of payment of that debt or any part thereof may be extended from time to time without modifying or releasing the lien of the Loan Instruments or the liability of Borrower or any such other parties, the right of recourse against any such parties being hereby reserved by the holder hereof.

2.3 **Collection.** In the event of a default in the payment of any amount due hereunder, the holder hereof may exercise any remedy or remedies, in any combination whatsoever, available by operation of law or under any instrument given as security for this Note and such holder shall be entitled to collect its reasonable costs of collection, including attorneys' fees, which shall be additional indebtedness hereunder. For purposes of the preceding sentence, Lender's attorneys' fees shall be deemed to include compensation to staff counsel, if any, of Lender in addition to the fees of any other attorneys engaged by Lender.

2.4 **Governing Law.** This Note is executed and delivered in Chicago, Illinois and shall be governed by and construed in accordance with the law of the State of Illinois.

2.5 **Severability.** If any term, restriction or covenant of this instrument is deemed illegal or unenforceable, all other terms, restrictions and covenants and the application thereof to all persons and circumstances subject hereto shall remain unaffected to the extent permitted by law; and if any application of any term, restriction or covenant to any person or circumstance is deemed illegal, the application of such term, restriction or covenant to other persons and circumstances shall remain unaffected to the extent permitted by law.

2.6 **Notices.** All notices, requests, reports, demands or other instruments required or contemplated to be given or furnished under this Note to Borrower or Lender shall be directed to Borrower or Lender as the case may be at the following addresses:

If to Lender:

LaSalle Bank NI
3201 North Ashland Avenue
Chicago, Illinois 60657
Attention: Ann B. Josephson

with a copy to:

Goldberg, Kohn, Bell, Black,
Rosenbloom & Moritz, Ltd.
55 East Monroe Street
Suite 3700
Chicago, Illinois 60603
Attention: Michael B. Manuel

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If to Borrower:

Mid-City Realty Corporation
c/o Mid-City Parking, Inc.
400 West Erie
Suite 502
Chicago, Illinois 60610
Attention: William Sommerfeld

with a copy to:

Schwartz & Freeman
401 North Michigan Avenue
Suite 1900
Chicago, Illinois 60611
Attention: Donald F. Engel

Notices shall be either: (i) personally delivered to the offices set forth above, in which case they shall be deemed delivered on the date of delivery to said offices, (ii) sent by certified mail, return receipt requested, in which case they shall be deemed delivered three (3) business days after deposit in the U.S. mail, postage prepaid, or (iii) sent by air courier (Federal Express or like service), in which case they shall be deemed delivered on the date of actual delivery. Either party may change the address to which any such notice, report, demand or other instrument is to be delivered by furnishing written notice of such change to the other party in compliance with the foregoing provisions.

2.7 Business Loan. Borrower represents that the proceeds of the indebtedness evidenced by this Note will be used to further the business purposes and business objectives of Borrower in connection with Borrower's ownership and operation of an interest in real estate located in Chicago, Illinois. Borrower further represents that the loan evidenced by this Note and secured by the Mortgage is a business purpose loan in accordance with 815 ILCS 205/4(1)(c), Illinois Compiled Statutes, and that this loan is a business loan as in such case made and provided. Borrower further represents that no proceeds of the indebtedness evidenced by this Note will be used to purchase or carry any margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying any margin stock.

2.8 WAIVER OF TRIAL BY JURY. TO INDUCE LENDER TO MAKE THE LOAN, BORROWER HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES ANY AND ALL RIGHTS WHICH BORROWER MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LEGAL PROCEEDINGS IN WHICH BORROWER AND LENDER ARE ADVERSE PARTIES, IN CONNECTION WITH THIS NOTE, THE MORTGAGE OR ANY OF THE OTHER LOAN INSTRUMENTS.

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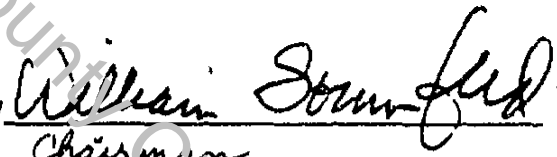
2.9 CONSENT TO JURISDICTION, SERVICE OF PROCESS. TO INDUCE LENDER TO MAKE THE LOAN, BORROWER HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY AGREES THAT ALL ACTIONS ARISING DIRECTLY OR INDIRECTLY AS A RESULT OF THIS NOTE, THE MORTGAGE OR ANY OF THE OTHER LOAN INSTRUMENTS SHALL BE INSTITUTED AND LITIGATED ONLY IN COURTS HAVING SITUS IN THE CITY OF CHICAGO, ILLINOIS, AND BORROWER HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT LOCATED AND HAVING SITUS IN SAID CITY OF CHICAGO, AND WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS. BORROWER HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS, AND CONSENTS THAT, AT LENDER'S OPTION, ALL SUCH SERVICE OF PROCESS MAY BE MADE BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, DIRECTED TO BORROWER AT THE ADDRESS FOR BORROWER INDICATED IN SECTION 2.6 ABOVE.

IN WITNESS WHEREOF, the undersigned has executed this Note as of the date first above written.

MID-CITY REALTY CORPORATION, an Illinois corporation

ATTEST:

By 
Its Secretary

By 
Its Chairman

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SCHEDULE 1

UNSCHEDULED PAYMENT CONSIDERATION

The Unscheduled Payment Consideration shall be the amount calculated as follows:

(i) Lender shall determine, as of the seventh (7th) business day preceding the Unscheduled Payment Date, the difference, if any, between the rate of interest then chargeable under this Note less the annual yield to maturity of a particular issue, selected by Lender, of United States Treasury bonds, notes or bills (other than any such security redeemable at par in payment of United States estate taxes) maturing nearest the Maturity Date, as reported by The Wall Street Journal or, if The Wall Street Journal is no longer published or no longer publishes annual yields for United States Treasury bonds, notes or bills, some other daily financial or governmental publication of national circulation determined by Lender, in its sole discretion;

(ii) The difference calculated pursuant to clause (i) above shall be multiplied by the amount of the subject Unscheduled Payment;

(iii) The amount calculated pursuant to clause (ii) above shall be divided by twelve;

(iv) The amount calculated pursuant to clause (iii) above shall be multiplied by the number of calendar months following the Unscheduled Payment Date, including the calendar month in which the Unscheduled Payment Date occurs, through and including the Maturity Date.

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EXHIBIT B LEGAL DESCRIPTION

THE INTEREST IN LAND CONVEYED BY OR OTHERWISE REFERRED TO IN THE INSTRUMENT TO WHICH THIS EXHIBIT IS ATTACHED, IS A LEASEHOLD INTEREST, BEING THE LEASEHOLD INTEREST CREATED BY AND REFERRED TO IN THAT CERTAIN INDENTURE OF SUBLEASE DATED OCTOBER 26, 1993 BY AND BETWEEN SYLVIA L. GOFFEN, LAWRENCE J. BLUM AND MERWIN S. ROSENBERG, SUCCESSOR TRUSTEES UNDER THE STATE/ELM TRUST AGREEMENT DATED AUGUST 30, 1951 AND MID-CITY PARKING, INC., WHOSE INTEREST WAS ASSIGNED TO MID-CITY REALTY, INC., WHICH AFFECTS ONLY A PORTION OF THE FOLLOWING DESCRIBED REAL ESTATE:

PARCEL 1:

LOT 6 (EXCEPT THAT PART TAKEN FOR WIDENING GREEN BAY STREET (NOW N. RUSH STREET) BY COUNCIL JUNE 12, 1865) OF ASSESSOR'S DIVISION OF THE NORTH 200 FEET OF BLOCK 17 IN BUSHNELL'S ADDITION TO CHICAGO IN THE EAST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2:

ALL THAT PART OF THE INTERSECTION OF NORTH STATE STREET AND NORTH RUSH STREET LYING EAST OF AND ADJOINING THE EAST LINE OF LOT 6, LYING WESTERLY OF AND ADJOINING A LINE DRAWN FROM A POINT ON THE EAST LINE OF SAID LOT 6, 141.08 FEET NORTH OF THE SOUTH EAST CORNER THEREOF TO A POINT ON THE SOUTH LINE OF SAID LOT 6 PRODUCED EAST, 25.03 FEET EAST OF THE SOUTH EAST CORNER THEREOF AND LYING NORTH OF AND ADJOINING THE SOUTH LINE OF SAID LOT 6 PRODUCED EAST, 25.03 FEET IN ASSESSOR'S DIVISION OF THE NORTH 200 FEET OF BLOCK 17 OF BUSHNELL'S ADDITION TO CHICAGO IN THE EAST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

COMMON ADDRESS: 1122-1130 NORTH STATE STREET, CHICAGO

PIN: 17-04-414-031-8001; 17-04-414-031-8002

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