

EXCHANGE AGREEMENT

Account No. _____

This Exchange Agreement ("Agreement") is made and entered into as of this _____ day of _____, A.D. _____, by and between _____ ("Exchangor") and Old Second National Bank (not individually, but solely in its capacity as a Qualified Intermediary). For purposes of this Agreement, the following definitions shall apply:

"Agreement" shall mean this Exchange Agreement or any other related document.

"Contract" shall mean the contract by and between the Exchangor and any Purchaser of the Relinquished Property, or that contract by and between the Exchangor and any Seller of the Replacement Property, as the case may be.

"Exchange Funds" shall mean the net cash proceeds realized from the transfer and closing of the Relinquished Property to the Purchaser, net of all amounts paid with respect to encumbrances on that property, plus ordinary and customary costs of sale related to that transfer, which amount shall be deposited with the Qualified Intermediary in accordance with the provisions of this Agreement. After deposit, the Exchange Funds shall also consist of any earnings realized from that deposit or investment of the Exchange Funds. Finally, the Exchange Funds shall also consist of any additional advancements or loan funds deposited by the Exchangor on account of the purchase of the Replacement Property.

"Exchange Period" shall be defined as that period of time which begins on the closing date of the Relinquished Property and ends at midnight on the earlier of (a) the 180th day thereafter or (b) the due date, including extensions, for Exchangor's return of tax imposed by Chapter 1 of subtitle A of the Internal Revenue Code for the taxable year in which the Relinquished Property closing occurs.

"Exchangor" shall mean the person who is the owner of the Relinquished Property which is being exchanged for the Replacement Property.

"Identification Period" shall mean that period of time commencing on the closing date of the Relinquished Property and ending at midnight on the 45th day thereafter.

"IRC" shall mean the Internal Revenue Code of 1986, as amended.

"Purchaser" shall mean the intended purchaser of the Relinquished Property.

"Qualified Intermediary" shall mean Old Second National Bank, not individually, but solely as Qualified Intermediary pursuant to Internal Revenue Code Regulations Sections 1.1031(k)-1(g)(4).

"Regulations" shall refer to the IRC Regulations.

"Relinquished Property" shall mean the property currently owned by the Exchangor which is intended to be transferred to a Purchaser.

"Replacement Property" shall mean property which is currently owned by a third party Seller and which the Qualified Intermediary intends to acquire in exchange for the Relinquished Property.

"Seller" shall mean the current owner of the Replacement Property.

RECITALS

A. Exchangor currently is the holder of an interest in the Relinquished Property which is commonly known as: _____, and is more fully described in Exhibit "A" which is attached hereto.

B. Exchangor wishes to exchange the Relinquished Property for one or more other fee titles/or leasehold interest in Replacement Property of like kind and qualifying use and within the meaning of Section 1031 of the IRC and the Regulations thereunder.

C. Upon the terms and conditions set forth in this Agreement, the Qualified Intermediary agrees to acquire the Relinquished Property from the Exchangor, transfer that property to the Purchaser, receive therefor the Exchange Funds, and to utilize the Exchange Funds to acquire Replacement Property from a Seller and then transfer that Replacement Property to the Exchangor. It is further the intent of the Exchangor and the Qualified Intermediary that the Qualified Intermediary's obligations to acquire and transfer both the Relinquished Property and the Replacement Property shall be satisfied by the Exchangor's assignment of all of the Exchangor's right, title and interest in and to any Contract for the transfer of the Relinquished Property and in and to any Contract for the acquisition of the Replacement Property, with the form and content of such assignment to be subject to the approval of the Qualified Intermediary. It is the intent of the parties that any such assignment shall be in compliance with Regulations 1.1031(k)-1(g)(4)(iii), (iv) and (v).

NOW, THEREFORE, in consideration of the mutual promises contained herein, Exchangor and Qualified Intermediary agree as follows:

1. Incorporation of Definitions and Recitals. The definitions and recitals set forth above are herein incorporated into this Agreement as if fully restated herein.

2. Acquisition and Transfer of the Relinquished Property. Exchangor agrees to assign to the Qualified Intermediary, all of the Exchangor's rights in any pending or future Contract for the transfer of the Relinquished Property to a Purchaser. Qualified Intermediary agrees to accept such assignment from the Exchangor, but not the Exchangor's obligations under that Contract. Said assignment shall be in a form as may be acceptable to the Qualified Intermediary, with such form being completed and delivered to the Qualified Intermediary prior to the closing and transfer of the Relinquished Property. Likewise, any and all earnest money deposited under the contract for the sale of the Relinquished Property shall be tendered to the Qualified Intermediary and held by the Qualified Intermediary as part of the Exchange Funds. Exchangor represents that it will provide notice to the Purchaser of the Relinquished Property of the assignment of the Contract by the Exchangor to the Qualified Intermediary, and that such notice will be timely given before the closing of that Relinquished Property. In accordance with applicable provisions of the Regulations, the Qualified Intermediary hereby authorizes and directs the Exchangor to convey the Relinquished Property directly to the Purchaser in satisfaction of Qualified Intermediary's obligations as assignee of the Contract.

3. The Exchange Funds. The entire amount of the Exchange Funds, including those deposited prior to the transfer of the Relinquished Property, those received on account of the closing of the Relinquished Property and those further advanced or loaned by the Exchangor in connection with the acquisition of the Replacement Property, shall be invested by the Qualified Intermediary in such money accounts or such investment accounts as selected by the Qualified Intermediary. Exchangor acknowledges that the full range of investment vehicles for the Exchange Funds have been explained by the Qualified Intermediary to the Exchangor, and the Exchangor expressly authorizes and approves of such investments. Exchangor further acknowledges and agrees that the Qualified Intermediary provides certain administrative services on funds managed by it, and that the administration of those funds will incur certain fees to the Qualified Intermediary, above and beyond the fees incurred by the Exchangor for the Qualified Intermediary's services hereunder. All such fees are hereby authorized and approved by the Exchangor.

4. Identification of the Replacement Property. It shall be the Exchangor's responsibility to identify Replacement Property prior to the expiration of the Identification Period. Said identification must be in a written document, signed by the Exchangor, and either hand delivered, mailed, telecopied, or otherwise sent to the Qualified Intermediary. The number

of properties identified and the form of the identification notice must be both in compliance with the Regulations and acceptable to the Qualified Intermediary.

5. Acquisition of the Replacement Property. Provided one or more properties have been properly identified within the Identification Period, the Qualified Intermediary shall use its best efforts to acquire and transfer to the Exchangor the Replacement Property so identified at such prices and upon such other terms and conditions as have been preapproved by the Exchangor. The closing on any such Replacement Property must occur within the Exchange Period. The requirement of the Qualified Intermediary to acquire the Replacement Property shall be satisfied when the Exchangor enters into a Contract for the acquisition of the Replacement Property and then assigns its rights under that Contract to the Qualified Intermediary, with the form and content of such assignment being subject to the Qualified Intermediary's approval. No such form will be acceptable unless the Seller of the Replacement Property acknowledges that the Qualified Intermediary's liabilities in the event of any alleged breach are limited to the forfeiture of the earnest money previously deposited with that Seller, or the Seller's agent. The Replacement Property shall be acquired with the Exchange Funds, including any additional amounts deposited thereto by the Exchangor, with any remaining Exchange Funds then being held to acquire any other Replacement Property identified during the Identification Period. It shall be the Exchangor's responsibility to provide notice to the Seller of the Replacement Property that the Exchangor's rights in and to the Contract for the sale of the Replacement Property have been assigned to the Qualified Intermediary. The Qualified Intermediary agrees that it will accept from the Exchangor the assignment of all of the Exchangor's right in and to the Replacement Property Contract, but not the obligations thereunder, and that it will execute and deliver to the Exchangor an acceptance of that assignment.

6. Direct Deeding. Notwithstanding any previously executed assignments as contemplated by this Agreement, the parties acknowledge and agree that the Exchangor shall issue a direct conveyance from the Exchangor to the Purchaser of the Relinquished Property, and that the Exchangor shall receive a direct conveyance from the Seller of the Replacement Property, without the necessity of either the Replacement Property or the Relinquished Property being titled into the name of the Qualified Intermediary, all in accordance with IRS Regulations Section 1.1031(k)-1(g)(4)(iii) and (iv).

7. Additional Restrictions on the Exchange Funds. Except for the Qualified Intermediary's acquisition of the Replacement Property, Exchangor shall have no right to receive, pledge, borrow or otherwise obtain the benefits of any of the Exchange Funds, including the earnings thereon, until the day following the last day of the Exchange Period, except that: (a) if Exchangor has not identified the Replacement Property by the end of the Identification Period, then Exchangor shall have the right to receive, pledge, borrow or otherwise obtain the benefits of the Exchange Funds, if any, any time following the end of the Identification Period upon written demand of Exchangor; and (b) if Exchangor has identified the Replacement Property by the end of the Identification Period, then Exchangor shall have the right to receive, pledge, borrow or otherwise obtain the benefits of the Exchange Funds, if any, any time following Exchangor's receipt of all of the Replacement Property to which Exchangor is entitled under this Exchange Agreement upon written demand of Exchangor. Exchangor acknowledges that he will be responsible to report any income earned on the Exchange Funds and Exchangor agrees to complete an Internal Revenue Service Form W-9, which Form shall be given to the Qualified Intermediary.

8. Indemnification.

(A) Exchangor shall hold the Qualified Intermediary harmless from and indemnified against any and all claims and expenses made or incurred by the Qualified Intermediary at any time with respect to any contract, the Relinquished Property, the Replacement Property, or any other transaction contemplated by this Exchange Agreement. This indemnity shall survive the end of the Exchange Period. This indemnity shall include, but not be limited to, taxes, claims for breach of contract or injury to person or property, fines or penalties, including without limitation any federal, state or local law with respect to code violations, health and public safety laws, environmental matters or hazardous waste.

(B) The Qualified Intermediary shall not be responsible or in default under this Agreement for any damages, losses, or expenses incurred by the Exchangor on account of the Exchangor's failure to locate or negotiate for a Replacement Property acceptable to it, to borrow or locate funds to acquire the Replacement Property, the failure of any Replacement Property to qualify as "Like Kind" property as required by the IRC and Regulations, and the resulting tax consequences therefrom.

(C) The Qualified Intermediary is not acting as tax advisor or legal counsel for the Exchangor, the Purchaser of the Relinquished Property, the Seller of the Replacement Property, or for any other party connected with either this Agreement or the properties governed by this Agreement. Exchangor acknowledges that it has been advised to seek its own tax advisor and legal counsel for appropriate legal guidance.

(D) Qualified Intermediary shall not be liable for the loss of any principal which is invested in part of the Exchange Funds, or for the performance or lack of performance of those Exchange Funds, except for the Qualified Intermediary's willful misconduct or gross negligence.

9. Notices. Any notice or other communication required or permitted to be given pursuant to this Agreement shall be given in writing and shall be deemed properly given or made when hand delivered, sent by certified or registered mail, overnight courier, or telecopier, addressed as follows:

If to Exchangor: _____

Telecopy (fax) No. _____
Phone No. _____

If to Qualified Intermediary:

Attn: Wealth Management-1031 Exchange
Old Second National Bank
37 S. River Street
Aurora, Illinois 60506

Either party may, by notice given in accordance with the provisions of this Article, designate any further or different address to which subsequent notice shall be sent.

10. Miscellaneous.

(A) Successors and Assigns. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

(B) This Agreement and the rights, obligations and duties hereunder shall not be assigned or transferred by either party without the prior written consent of the other. Notwithstanding the above, the Qualified Intermediary may, at any time during the term of this Agreement, resign by service of notice of such intention to the Exchangor. Such notice shall become effective ten days after service of such notice. The Qualified Intermediary shall appoint at the time of such resignation a successor qualified intermediary, provided the one so designated also qualifies as a "qualified intermediary" as that term is defined by the IRC and Regulations.

(C) This Agreement shall be binding upon and inure to the benefit of the parties thereto and their respective heirs, executors, administrators, successors and permitted assigns.

(D) The Exchangor represents and certifies under penalties of perjury that it is not a "foreign person" as defined by Section 1445 of the IRS and Regulations. Exchangor further certifies, under penalties of perjury:¹ that the Social Security or taxpayer identification number shown below is correct; and² that the IRS has never notified me that I am subject to backup withholding, or has notified me I am no longer subject to such backup withholding.

Tax Identification Number: _____

(E) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(F) Time is of the essence of this Agreement.

(G) This Agreement may be amended only by an instrument in writing signed by the parties hereto.

(H) The agreed fee for the services of the Qualified Intermediary shall be pursuant to the Qualified Intermediary's current fee schedule, a copy of which is hereby acknowledged as received by the Exchangor. Exchangor agrees to pay for the Qualified Intermediary's services pursuant to that schedule, which amount shall be paid prior to the termination of the Exchange Period, or upon the expenditure of any remaining Exchange Funds, whichever comes first.

IN WITNESS WHEREOF, the parties hereto set their hands and seals on the day and year first above written.

EXCHANGOR

Qualified Intermediary:

OLD SECOND NATIONAL BANK,
not individually, but as Qualified Intermediary as aforesaid

By: _____

Its: _____