

FILED

CROSS ACCESS AGREEMENT

KEY 13-636-1 MAY 01 1996

This Cross Access Agreement is made on APRIL 17, 1996, between CNL Income Fund III, Ltd., a Florida limited partnership ("CNL"), and Ishwar Desai ("Desai").

SAM ORLICH

AUDITOR LAKE COUNTY

RECITALS

- A. CNL owns the real estate legally described in Exhibit "A" ("CNL Property").
- B. Desai owns the real estate legally described in Exhibit "B" contiguous to the CNL Property ("Desai Property").
- C. CNL and Desai wish to establish certain reciprocal access easements for the mutual benefit of the CNL Property and the Desai Property over the area described on Exhibit "C" (Access Area").

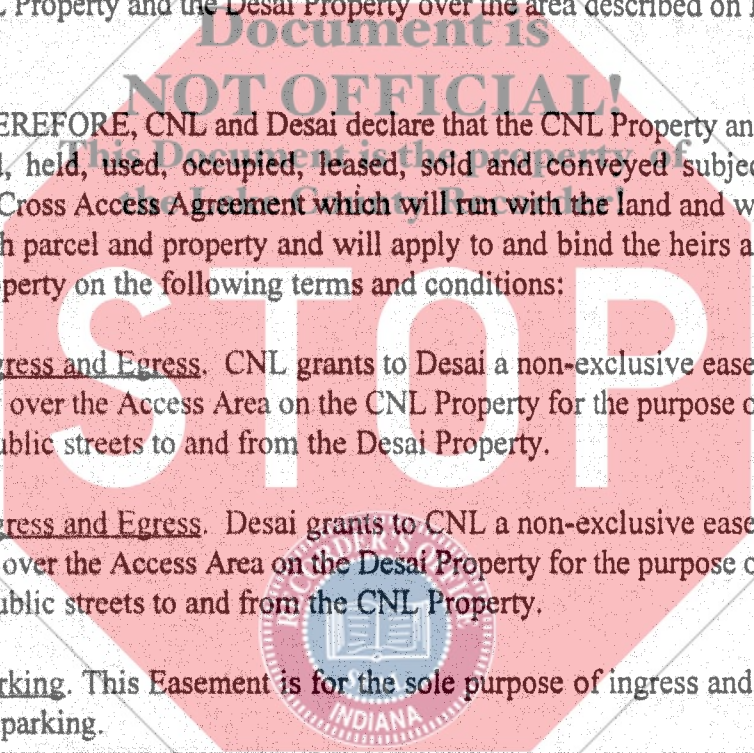
NOW THEREFORE, CNL and Desai declare that the CNL Property and the Desai Property will be improved, held, used, occupied, leased, sold and conveyed subject to the terms and conditions of this Cross Access Agreement which will run with the land and will enure and pass to and pass with each parcel and property and will apply to and bind the heirs and successors of the owner of each property on the following terms and conditions:

- 1. Ingress and Egress. CNL grants to Desai a non-exclusive easement appurtenant to the Desai Property over the Access Area on the CNL Property for the purpose of access, ingress and egress from the public streets to and from the Desai Property.
- 2. Ingress and Egress. Desai grants to CNL a non-exclusive easement appurtenant to the CNL Property over the Access Area on the Desai Property for the purpose of access, ingress and egress from the public streets to and from the CNL Property.
- 3. Parking. This Easement is for the sole purpose of ingress and egress and does not include rights for parking.
- 4. Construction. Desai will construct the road in the Access Area on both the CNL Property and the Desai Property at his expense pursuant to the requirements of the Town of Schererville and the State of Indiana. The road will be of the same quality as the existing paved areas on each party's Property. The detention pond located on the CNL Property will be removed and replaced by a drainage system acceptable to the Town of Schererville adequate to serve the CNL Property and the Desai Property, all such removal and replacement to be performed by Desai at his expense. All such construction on the road in the Access Area and the removal and replacement of the drainage system shall be performed so as not to unreasonably interfere with or interrupt any business operating on the CNL Property.

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STATE OF INDIANA LAKE COUNTY FILED FOR RECORD



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5. (a) Maintenance. Desai, at his expense, will maintain and keep in good condition the Access Area on both the CNL Property and the Desai Property and will keep such areas clear of and free of snow, ice, rubbish and other obstructions of every nature, and shall provide and pay for adequate drainage and lighting thereon. Desai, at his expense, shall maintain and keep in good condition the drainage system which will replace the detention pond currently existing on the CNL Property, except that any damage to the drainage system caused by any user or other tenant of the CNL Property shall be repaired at the sole cost and expenses of CNL and/or such user or tenant.

(b) Taxes and Insurance. Desai shall reimburse CNL (or CNL's tenant in operation from time to time on the CNL Property) for all real estate taxes and insurance premiums attributable to the Access Area and drainage system areas located on the CNL Property, such reimbursement amount to be calculated on a prorata square footage basis. Such reimbursement shall be paid within thirty (30) days after Desai's receipt of a bill therefor from CNL or CNL's tenant.

6. Duration. This Cross Access Agreement may be terminated, extended, modified or amended only with the unanimous consent of all owners owning an interest in the fee simple title to the CNL Property and the Desai Property. No termination, extension, modification or amendment will be effective until a written instrument setting forth its terms has been executed, acknowledged and recorded in the Office of the Recorder of Lake County, Indiana, by the foregoing described persons.

7. Grantor's Use. Each party reserves the use of the easements granted in this Agreement not inconsistent with this grant, and grantor reserves the right to install, maintain, and relocate additional improvements, drives, utilities, swales, and landscaping on the easements at locations which will not interfere with grantee's use of the easements.

8. Runs with Land. All provisions of this Agreement, including the benefits and burdens, run with the land and are binding upon and inure to the benefit of the heirs, personal representatives, successors, assigns, employees, licensees, tenants, agents, and invitees of the parties.

9. Public Dedication. This Easement is not and must not to be construed to be a public dedication of the roadways or improvements in this Easement. Neither the public nor any municipality are entitled to any rights under this agreement.

10. Additional Provisions.

(a) Notices. All notices and other communications required or permitted to be given must be in writing and must be delivered personally or by regular or certified mail to the following:

CNL: CNL Income Fund III, Ltd.
400 E. South Street
Suite 500
Orlando, Florida 32801
Attn: Robert A. Bourne

Desai: Ishwar Desai
1850 U.S. 41 South
Schererville, Indiana 46375

(b) Entire Agreement. This Agreement represents the entire agreement between the parties relating to the subject matter in it. This Agreement supersedes all other prior written or oral agreements with respect to the subject matter of it.

(c) Amendment and Waiver. No modification or waiver of any provision of this Agreement or any remedy available to any party, nor consent to any departure by either party to any provision of this Agreement, will be effective unless it is in writing and it is signed by the party to be charged. No consent to modification or waiver of any provision of this Agreement or to any remedy available to any party, nor consent to any departure by either party to any provision of this Agreement, nor failure or delay of either party to exercise its rights under this Agreement in any specific instance will constitute a waiver of such party of any prior or subsequent occurrence of the same or similar type.

(d) Choice of Law. This Agreement will be governed and construed by the law of the State of Indiana. All proceedings will be venued in Lake County, Indiana.

(e) Severability. Any provision of this Agreement which is determined to be unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or effecting the enforceability of such provision in any other jurisdiction. To the extent possible, the court of such jurisdiction shall exercise its discretion to reform such unenforceable provision to the end that such provision is reasonable and enforceable.

(f) Headings. The headings of this Agreement are included for the convenience of reference only and may not be used to add to, subtract from, or construe this Agreement.

(g) Attorney's Fees. In the event any party to this Agreement is compelled to enforce its provisions in litigation commenced against another party hereto, then the prevailing party in such litigation shall be entitled to recover its reasonable attorney fees, court costs, and other litigation expenses from the non-prevailing party in such litigation.

(h) Exhibits. Any Exhibit referenced in this Easement is made a part of this Agreement and incorporated into it as if the exhibit was fully set forth in the body of the Agreement.

IN WITNESS WHEREOF, this Cross Access Agreement is executed as of the day and year first written above.

CNL Income Fund III, Ltd., Florida limited partnership

By: [Signature]
Robert A. Bourne, General Partner

I. Desai AKA Ishwar I.D.
B. Desai

Ishwar Desai
Ishwar B. DESAI I.D.

STATE OF FLORIDA

COUNTY OF ORANGE

Document is NOT OFFICIAL!
This document is the property of the Lake County Recorder!

Before me, a Notary Public, in and for said County and State, this 15th of April, 1996, personally appeared Robert A. Bourne, General Partner of CNL Income Fund III, Ltd., who acknowledged the execution of the foregoing Cross Access Agreement.

My Commission Expires: 7-6-99

[Signature]
Notary Public

County of Residence: Orange

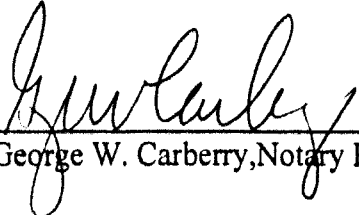


MARY LEE STALLINGS
My Commission CC478289
Expires Jul. 06, 1999
Bonded by HAI
800-422-1555

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

Before me, a Notary Public, in and for said County and State, this 17th day of April 1996, personally appeared Ishwar Desai, who acknowledged the execution of the foregoing Cross Access Agreement.

My Commission Expires: April 9, 1999


George W. Carberry, Notary Public

County of Residence: Porter



This instrument prepared by

George W. Carberry
Burke, Murphy, Costanza & Cuppy
15 N. Franklin, Suite 200
Valparaiso, IN 46383



EXHIBIT A

Part of the NW 1/4 of the NE 1/4 of Section 17, Township 35 North, Range 9 West of the 2nd P.M., in the Town of Schererville, Lake County, Indiana, described as follows: beginning at the Southeast corner of said 1/4 1/4 Section and thence running North 88°45'30" West along the South line thereof; 200 feet; thence North 00°00'00" East parallel with the East line thereof; 334.21 feet to the center line of Lincoln Highway; thence South 88°46'40" East along the center line of said highway, 200 feet to the East line of the NW1/4, NE1/4, of said Section 17; thence South 00°00'00" East along the East line of said tract, 334.28 feet more or less to the point of beginning. Also part of the SW1/4 of the NE1/4 of Section 17, Township 35 North, Range 9 West of the 2nd P.M., in the Town of Schererville, Lake County, Indiana, described as follows: beginning at the Northeast corner of said 1/4 1/4 Section; thence South 00°00'00" East along the East line thereof, 50.57 feet to the center line of the existing public road; thence North 79°57'33" West along the center line of said road, 203.06 feet; thence North 00°00'00" East, 19.5 feet to the North line of said 1/4 1/4 Section; thence South 88°45'30" East, along the North line of said 1/4 1/4 Section, 200 feet to the point of beginning, containing 1.695 acres more or less.

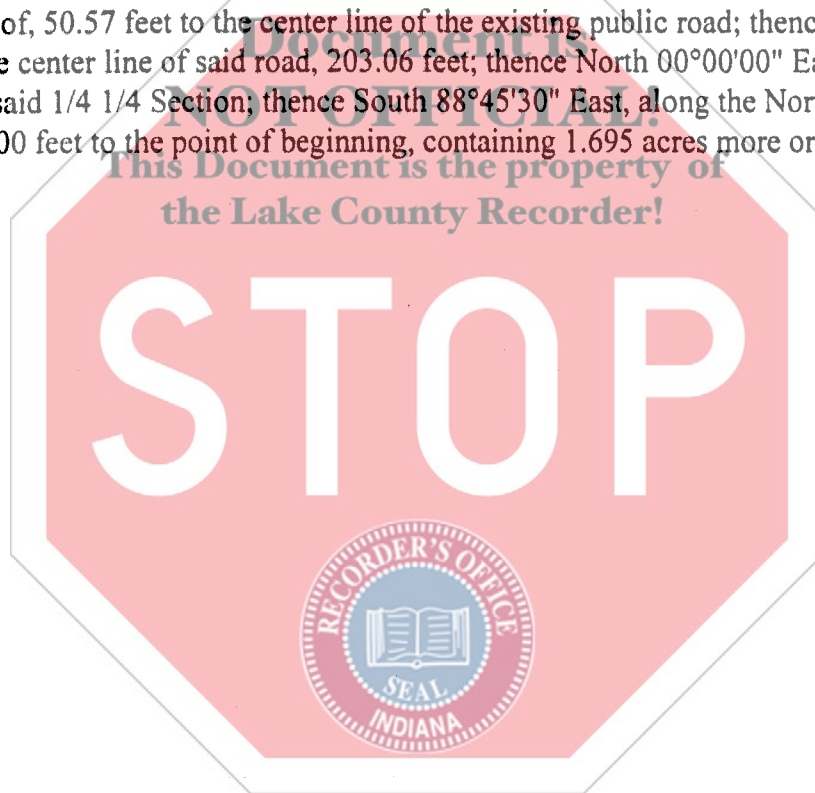


EXHIBIT B

PART OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 35 NORTH, RANGE 9 WEST OF THE 2ND PRINCIPAL MERIDIAN, IN THE TOWN OF SCHERERVILLE, LAKE COUNTY, INDIANA, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF SAID 1/4 1/4 SECTION AND RUNNING THENCE WEST ALONG THE SOUTH LINE THEREOF, 391.00 FEET; THENCE NORTH PARALLEL WITH THE EAST LINE THEREOF, 333.93 FEET TO THE CENTER LINE OF LINCOLN HIGHWAY; THENCE EAST ALONG THE CENTER LINE OF SAID HIGHWAY, 391.00 FEET TO THE EAST LINE OF SAID TRACT; THENCE SOUTH ALONG THE EAST LINE OF SAID TRACT, 334.28 FEET TO THE POINT OF BEGINNING; ALSO PART OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 35 NORTH, RANGE 9 WEST OF THE 2ND PRINCIPAL MERIDIAN, IN THE TOWN OF SCHERERVILLE, LAKE COUNTY, INDIANA, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID 1/4 1/4 SECTION; THENCE SOUTH ALONG THE EAST LINE THEREOF, 50.57 FEET TO THE CENTER LINE OF THE EXISTING PUBLIC ROAD; THENCE NORTHWESTERLY ALONG THE CENTER OF SAID ROAD, 330.18 FEET TO A POINT ON THE NORTH LINE OF SAID 1/4 1/4 SECTION; THENCE EAST ALONG THE NORTH LINE OF SAID 1/4 1/4 SECTION, 325.22 FEET TO THE POINT OF BEGINNING.

NOT OFFICIAL!
EXCEPT THAT PART OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 35 NORTH, RANGE 9 WEST OF THE 2ND PRINCIPAL MERIDIAN, IN THE TOWN OF SCHERERVILLE, LAKE COUNTY, INDIANA, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF SAID 1/4 1/4 SECTION AND THENCE RUNNING NORTH 88 DEGREES 45 MINUTES 30 SECONDS WEST ALONG THE SOUTH LINE THEREOF, 200.00 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST PARALLEL WITH THE EAST LINE THEREOF, 334.21 FEET TO THE CENTER LINE OF LINCOLN HIGHWAY; THENCE SOUTH 88 DEGREES 46 MINUTES 40 SECONDS EAST ALONG THE CENTER LINE OF SAID HIGHWAY, 200.00 FEET TO THE EAST LINE OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 17; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST ALONG THE EAST LINE OF SAID TRACT, 334.28 FEET, MORE OR LESS, TO THE POINT OF BEGINNING;

ALSO EXCEPT THAT PART OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 35 NORTH, RANGE 9 WEST OF THE 2ND PRINCIPAL MERIDIAN, IN THE TOWN OF SCHERERVILLE, LAKE COUNTY, INDIANA, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF SAID 1/4 1/4 SECTION; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST ALONG THE EAST LINE THEREOF, 50.57 FEET TO THE CENTER LINE OF THE EXISTING PUBLIC ROAD; THENCE 79 DEGREES 57 MINUTES 33 SECONDS WEST ALONG THE CENTER LINE OF SAID ROAD, 203.06 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, 19.5 FEET TO THE NORTH LINE OF SAID 1/4 1/4 SECTION; THENCE SOUTH 88 DEGREES 45 MINUTES 30 SECONDS EAST, ALONG THE NORTH LINE OF SAID 1/4 1/4 SECTION, 200 FEET TO THE PLACE OF BEGINNING,

ALSO EXCEPTING THEREFROM THAT PART OF THE LAND CONVEYED TO THE STATE OF INDIANA BY WARRANTY DEED RECORDED JULY 2, 1992 AS DOCUMENT NO. 92042503.

X NORTH

EXHIBIT C

Ishwar Desai
1013 West Lincoln Highway, Schererville, Indiana

The West 315 feet of the North 60 feet of the following described parcel:

Parcel 1

Part of the Northwest 1/4 of the Northeast 1/4 of Section 17, Township 35 North, Range 9 West of the 2nd P.M., in the Town of Schererville, Lake County, Indiana, described as follows:

Commencing at the Southeast corner of said 1/4 1/4 section and running thence West along the South line thereof; 391.00 feet; thence North parallel with the East line thereof, 333.93 feet to the center line of Lincoln Highway; thence East along the center line of said highway, 391.00 feet to the East line of said tract; thence South along the East line of said tract, 334.28 feet to the point of beginning.

