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Dechert LLP
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San Francisco CA 94111-3404
Attention: Joseph B. Heil, Esquire

Space Above This Line for Recorder's Use

MANAGER'S CONSENT REGARDING MANAGEMENT AGREEMENT

by and among

77 WEST WACKER DRIVE, L.L.C.,

(as Borrower)

PRIME GROUP REALTY, L.P.

(as Manager)

to

MERRILL LYNCH MORTGAGE LENDING, INC.

(as Lender)

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816 8719
J Byr

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Box 333

Property: 77 West Wacker Drive, Chicago, Illinois
Loan Number: 20039213020

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MANAGER'S CONSENT REGARDING MANAGEMENT AGREEMENT

THIS MANAGER'S CONSENT REGARDING MANAGEMENT AGREEMENT (as amended, modified and supplemented and in effect from time to time, this "Agreement") dated as of October 24, 2003 is by and among PRIME GROUP REALTY, L.P., a Delaware limited partnership, having an office at 77 West Wacker Drive, Suite 3900, Chicago, Illinois 60601, Attention: President, Telefax Number (312) 917-1597 and Jim Hoffman, Telefax Number (312) 917-1684 ("Manager"), 77 WEST WACKER DRIVE, L.L.C., a Delaware limited liability company, having an office at c/o Prime Group Realty Trust, 77 West Wacker Drive, Suite 3900, Chicago, Illinois 60601, Attention: Jeffrey A. Patterson and James Hoffman, Esq., Telefax Number (312) 917-1597 (the "Borrower"), and MERRILL LYNCH MORTGAGE LENDING, INC., a Delaware corporation, having an office at 4 World Financial Center, 16th Floor, New York, NY 10080, Attention: Robert J. Spinna, Jr., Telefax Number (212) 449-7684 (together with its successors and assigns, "Lender").

RECITALS

A. Pursuant to that certain Loan Agreement dated as of the date hereof by and between Lender and Borrower (as amended, modified and supplemented and in effect from time to time, the "Loan Agreement"), Lender is making a loan (the "Loan") to Borrower which is evidenced by a promissory note dated as of the date hereof (such note together with all renewals, extensions, modifications, consolidations and substitutions and in effect from time to time, the "Note") and secured by, among other things, a Fee Mortgage, Leasehold Mortgage, Assignment of Rents, Security Agreement and Fixture Filing dated as of the date hereof (as amended, modified and supplemented and in effect from time to time, the "Mortgage") on Borrower's interest in the real property described on Exhibit A attached hereto (such real property, together with all other property subject to the lien and security interest of the Mortgage, is referred to herein and in the Mortgage as, the "Property");

B. Manager manages the Property pursuant to that certain Management Agreement attached hereto as Exhibit B between Borrower and Manager (as amended, modified and supplemented and in effect from time to time, the "Management Agreement"); and

C. Pursuant to the Assignment of Management Agreement and Agreements Affecting Real Estate of even date herewith executed by Borrower in favor of Lender (as amended, modified and supplemented and in effect from time to time, the "Assignment"), Borrower has, among other things, assigned to Lender all of Borrower's rights, title and interest in, to and under, among other things, the Management Agreement, subject to the terms and provisions contained therein.

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NOW, THEREFORE, to induce Lender to make the Loan to Borrower with respect to the Property and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Acknowledgment of Assignment. Manager acknowledges that Borrower, pursuant to the Assignment, has assigned and pledged to Lender all of Borrower's right, title and interest in, to and under the Management Agreement. Manager acknowledges the express terms of the Assignment.

2. Representations of Manager. Manager warrants and represents to Lender the following:

(a) Manager acts as manager of the Property pursuant to the Management Agreement. The Management Agreement is in full force and effect, and constitutes the entire agreement with respect to the management of the Property between Manager and Borrower and has not been assigned, modified, amended, or supplemented except pursuant to the Assignment. A true, correct and complete copy of the Management Agreement is attached hereto as Exhibit B.

(b) The Management Agreement constitutes the legal, valid and binding obligation of Manager, enforceable against Manager in accordance with its terms, subject to general principles of equity and laws affecting the rights and remedies of debtors and creditors generally. Manager has full authority under all applicable state and local laws and regulations to perform all of its obligations under the Management Agreement.

(c) Borrower is not in default in the performance of the terms and provisions of the Management Agreement, nor has Manager delivered notice of default to Borrower.

(d) Manager is not in default under any of the terms and provisions of the Management Agreement, nor has Manager received a notice of default. Manager has not received any written notice of a claim or dispute between Borrower and Manager with respect to the Management Agreement.

(e) Manager does not have any option to purchase all or any part of the Property.

(f) To Manager's knowledge, all Permits required by applicable law or necessary for the use and operation of the Property as currently operated have been obtained and such Permits are in full force and effect.

3. Manager's Covenants. For so long as the Indebtedness remains unpaid in full, Manager hereby consents and agrees to each and every one of the following covenants and agreements for the benefit of Lender:

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(a) No Termination of Management Agreement; Transfer of Operating Accounts. Manager will not terminate the Management Agreement without first providing Lender, at the same time it provides notice to Borrower, with copies of all notices required to be delivered in connection with such termination pursuant to the Management Agreement. If there is then an Event of Default by Borrower then outstanding under the Loan Documents, Manager shall promptly assign and transfer all accounts and money with respect to the Property held by it, if any, and the Permits (to the extent held by it and which are assignable) to such party as Lender may designate in its sole and absolute discretion and Manager shall use its reasonable efforts to cooperate with Lender with respect to the transfer of the foregoing and the engagement and transition of a new manager for the Property for a period of thirty (30) days provided that Manager receives compensation during such transition period as is provided in the Management Agreement.

(b) Intentionally omitted.

(c) Lender's Right to Terminate. Upon the occurrence and continuance of an Event of Default under the Loan Agreement, Manager, at the request of Lender, shall continue performance, on behalf of Lender, of all of Manager's obligations under the terms of the Management Agreement, provided that Lender sends to Manager the notice set forth in Section 3(i). The Management Agreement may be terminated by Lender (whether or not Lender requests that Manager continue performance in accordance with the preceding sentence) upon thirty (30) days prior written notice to Borrower and Manager (i) upon the occurrence and continuance of an Event of Default under the Loan Agreement, (ii) if the Manager commits any act which would permit termination by Borrower under the Management Agreement or (iii) upon the occurrence of any of the events set forth in Section 5.1(N) of the Loan Agreement. Manager agrees not to look to Lender for payment of any fees unless Lender has engaged Manager directly pursuant to Section 3(i) below. Upon repayment of the Indebtedness in full pursuant to the Loan Documents, this Agreement shall be of no further force or effect.

(d) No Amendments to the Management Agreement. Manager will not amend, modify, supplement, extend or otherwise change the Management Agreement without the prior written consent of Lender. If Lender fails to respond to a request for consent within fifteen (15) Business Days, Lender shall be deemed to have granted consent. If Manager fails to secure such consent (unless such consent is deemed to have been given as provided herein), the Management Agreement, at Lender's election, for the purposes of Manager's obligations to Lender pursuant to this Agreement, shall be deemed not to have been modified by such amendment.

(e) Delivery of Notices, etc.; Lender's Right to Cure. Manager shall deliver (promptly upon Manager's receipt of any of the following) to Lender all material notices, and communications required to be delivered to Borrower pursuant to the Management Agreement, including, without limitation, any notice of any default by Borrower or notice of intention to terminate the Management Agreement. Failure by Manager to provide the notices to

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Lender in this Section or any other notice required to be delivered to Lender by Manager in this Agreement at Lender's option shall constitute an event of default hereunder. Lender shall have the option, but not the obligation, to cure any such default(s) by Borrower under the Management Agreement within the time periods provided in the Management Agreement for cure of Borrower's defaults or, if no time period is specified in the Management Agreement, within thirty (30) days. Manager shall accept any performance by Lender of any of Borrower's covenants or agreements under the Management Agreement and any cure of Borrower's defaults, as if performed by Borrower. If Borrower's default is one that cannot be cured by Lender's payment of money and until Lender has obtained possession of the Property from Borrower, then the time period which Lender shall have to cure Borrower's default shall be extended by the time necessary for Lender to obtain possession of the Property, provided Lender is diligently pursuing such possession. Notwithstanding the terms of this Section 3(e), Manager may not terminate any of its obligations with respect to all or any portion of the Property without providing Lender with the notice described in Section 3(e) hereof.

(f) Further Assurances. Manager shall (i) execute such affidavits and certificates as Lender shall reasonably require to further evidence the agreements herein contained, (ii) on request from the Lender, furnish the Lender with copies of such information as the Borrower is entitled to receive under the Management Agreement, and (iii) cooperate with Lender's representatives in any inspection of all or any portion of the Property to the extent Lender is permitted to enter and inspect such Property in accordance with the Mortgage and/or the Loan Agreement.

(g) Acknowledgment of Borrower's Assignment of Leases. Manager acknowledges that, in connection with the Loan, Borrower will execute and deliver to Lender the Assignment of Leases and Rents, dated as of the date hereof, assigning to Lender, among other things, all of Borrower's right, title and interest in and to the Leases and the Rents relating to the Property, and any of Borrower's rights in the security deposits thereunder (to the extent permitted by applicable law), and that such assignment shall be subject to the terms and conditions of the Assignment of Leases and Rents.

(h) No Joint Venture. The relationship of Lender to Borrower is one of a creditor to a debtor, and Lender is not a joint venturer or partner of Borrower.

(i) Lender Not Obligated Under Management Agreement. Manager further agrees that nothing herein shall impose upon Lender any obligation for payment or performance in favor of Manager, unless and until Lender notifies Manager in writing that Lender has elected to assert Borrower's rights under the Management Agreement and assume Borrower's obligations thereunder from and after the effective date of Lender's written notice of such election to Manager and Lender has agreed to pay Manager the sums due Manager under the terms of the Management Agreement. Upon such notification by Lender to Manager, Manager shall continue performing its duties on Lender's behalf in accordance with the terms of the Management Agreement.

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(j) Lender's Reliance on Representations. Manager acknowledges that Lender may rely upon the representations, warranties, covenants and agreements herein contained when making the Loan to Borrower.

4. Assignment. Manager acknowledges and agrees that Lender may assign, sell, securitize, participate, pledge and/or otherwise transfer all or any portion of Lender's right, title and interest in, to and under this Agreement and/or the other Loan Documents in one or more transactions as set forth in the Loan Agreement, and Manager agrees that all of the covenants and agreements made by Manager in the Management Agreement are also for the benefit of Lender and its successors and assigns. Lender shall give Manager prompt notice of any assignment. Except as expressly prohibited by the Management Agreement or any of the Loan Documents, Manager and Borrower may assign the Management Agreement without the prior written consent of the Lender.

5. Prior Defenses or Offsets. Manager hereby acknowledges and agrees that it does not have any defenses or offsets to its obligations under the Management Agreement or any claim or right against Borrower except for claims or rights accruing after the date hereof.

6. Consent of Borrower. Borrower has joined herein to evidence its consent to the agreements of Lender and/or Manager contained in this Agreement.

7. Notices. All notices, demands, consents, or requests which are either required or desired to be given or furnished hereunder shall be sent to the appropriate party at the address set forth in the preamble to this Agreement and shall be effective in the manner set forth in the Loan Agreement. By notice complying with this Section, any party may from time to time change the address to be subsequently applicable to it.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State in which the Property is located (without giving effect to such State's principles of conflicts of laws).

9. Successors. This Agreement shall be binding upon and shall inure to the benefit of each party hereto and their respective successors and assigns.

10. Counterparts. This Agreement may be executed in any number of counterparts each of which, taken together, shall constitute one and the same original.

11. Term. The parties shall be bound by their obligations under this Agreement until the Loan and all amounts due or owing to Lender under the Loan Documents have been repaid in full.

12. Intentionally Omitted

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13. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings set forth in the Loan Agreement.

14. Time of the Essence. Time is of the essence with respect to each and every covenant, agreement and obligation of Manager under this Agreement.

15. Subordination and Waiver of Manager's Lien. Manager hereby subordinates all Liens Manager may have under applicable Legal Requirements (to the extent Manager has such Liens) to the Liens granted to Lender under the Loan Documents. Manager hereby agrees that if an Event of Default has occurred and is continuing, Manager's right to any payment under the Management Agreement shall be subordinate to Lender's right to all payments under the Loan Documents.

[Signatures commence on next page]

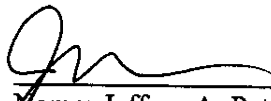
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IN WITNESS WHEREOF, the parties hereto have caused this Manager's Consent and Subordination of Management Agreement to be duly executed and delivered as of the day and year first above written.

MANAGER:

PRIME GROUP REALTY, L.P.

By: Prime Group Realty Trust, its general partner

By: 
Name: Jeffrey A. Patterson
Title: President

[signatures continued on following page]

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CONSENT ACKNOWLEDGED:

BORROWER:

77 WEST WACKER DRIVE, L.L.C.

By: Prime Group Realty, L.P., its administrative member

By: Prime Group Realty Trust, its general partner

By: 
Name: Jeffrey A. Patterson
Title: President

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STATE OF Illinois)
COUNTY OF Cook)

On October 22, 2003, before me Annette Burtin, a Notary Public, personally appeared Jeffrey A. Patterson, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature Annette Burtin (Seal)



STATE OF Illinois)
COUNTY OF Cook)

On October 22, 2003, before me Annette Burtin, a Notary Public, personally appeared Jeffrey A. Patterson, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

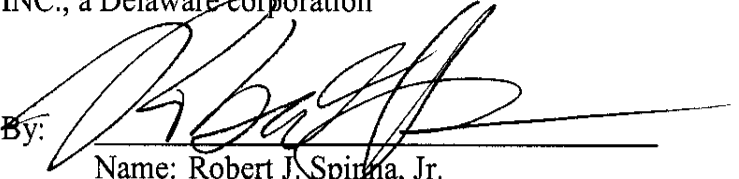
Signature Annette Burtin (Seal)



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LENDER:

MERRILL LYNCH MORTGAGE LENDING,
INC., a Delaware corporation

By: 

Name: Robert J. Spirna, Jr.

Title: Vice President

[signatures continued on following page]

Property of Cook County Clerk's Office


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STATE OF New York)

COUNTY OF New York)

On October 21, 2003, before me Edward J. Welch a Notary Public, personally appeared Robert J. Spinna, Jr., personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature  (Seal)

EDWARD J. WELCH
Notary Public, State of New York
No. 03-4526664
Qualified in Putnam County
Commission Expires Oct. 31, 2005

Cook County Clerk's Office

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EXHIBIT A

LEGAL DESCRIPTION

A. FEE SIMPLE AS TO PARCELS 1, 2, AND 4; SAID PARCELS 1, 2, AND 4 BEING DESCRIBED AS FOLLOWS:

PARCEL 1:

LOT 3 (EXCEPT THE EAST 20.50 FEET THEREOF); TOGETHER WITH THE NORTH 1.00 FOOT OF THE ORIGINAL 18-FOOT ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF SAID LOT 3 IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

AND

LOTS 1 TO 9, BOTH INCLUSIVE, IN THE SUBDIVISION OF LOT 4; TOGETHER WITH THE NORTH 1.50 FEET OF THE ORIGINAL 18-FOOT ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF SAID SUBDIVISION OF LOT 4 IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF THE WEST 1/2 OF NORTH GARVEY COURT (SAID NORTH GARVEY COURT BEING THE WEST 1/2 OF LOT 2 AND THE EAST 20.50 FEET OF LOT 3; TOGETHER WITH THE NORTH 1.00 FOOT OF THE ORIGINAL 18-FOOT ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF THE AFORESAID PARTS OF LOTS 2 AND 3; THE SOUTH LINE OF SAID 1.00 FOOT STRIP, BEING THE NORTH LINE OF WEST HADDOCK PLACE AS ESTABLISHED BY ORDINANCE PASSED SEPTEMBER 17, 1852) LYING ABOVE AN INCLINED PLANE HAVING AN ELEVATION OF +17.26 FEET ABOVE THE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF BLOCK 17 AND HAVING AN ELEVATION OF +21.23 FEET ABOVE THE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE ALL IN BLOCK 17, (AS VACATED BY THE CITY OF CHICAGO IN AN ORDINANCE PASSED MARCH 21, 1990 AND RECORDED APRIL 11, 1990 AS DOCUMENT 90164868), IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

THAT PART OF WEST HADDOCK PLACE AS ESTABLISHED BY ORDINANCE PASSED SEPTEMBER 17, 1852; TOGETHER WITH THE SOUTH 1.50 FEET OF THE ORIGINAL 18-FOOT ALLEY LYING NORTH OF AND ADJOINING THE NORTH LINE OF LOT 1 IN THE ASSESSOR'S DIVISION OF LOT 5 IN BLOCK 17; ALSO, THE SOUTH 1.00 FOOT OF SAID ORIGINAL 18-FOOT ALLEY LYING NORTH OF AND ADJOINING THE NORTH LINE OF LOT 6 IN BLOCK 17, ALL TAKEN AS ONE TRACT, LYING WEST OF THE SOUTHERLY EXTENSION OF THE WEST LINE OF THE EAST 20.50 FEET OF LOT 3 IN SAID BLOCK 17 AND LYING EAST OF THE WEST LINE OF BLOCK 17 AND ITS EXTENSIONS, (AS VACATED BY THE CITY OF CHICAGO IN AN ORDINANCE PASSED MARCH 21, 1990 AND

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RECORDED APRIL 11, 1990 AS DOCUMENT 90164868) IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

B. THE LEASEHOLD ESTATE (SAID LEASEHOLD ESTATE BEING DEFINED IN PARAGRAPH 1(H) OF THE CONDITIONS AND STIPULATIONS OF THE POLICY), CREATED BY THE INSTRUMENT HEREIN REFERRED TO AS THE LEASE, EXECUTED BY: AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED NOVEMBER 26, 1985 AND KNOWN AS TRUST NUMBER 66121, AS LESSOR, AND 77 WEST WACKER LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP, AS LESSEE, DATED MARCH 7, 1991, WHICH LEASE WAS RECORDED MARCH 18, 1991 AS DOCUMENT 91119739 WHICH DEMISED PARCEL 7 FOR A TERM OF YEARS AS SET FORTH THEREIN, AND DEMISES THE "APPURTENANT RIGHTS" SET FORTH IN PARCEL B OF EXHIBIT 'B' TO SAID LEASE OVER PARCEL 10 FOR SAID TERM.

MEMORANDUM OF ASSIGNMENT OF INTEREST IN LEASE AND SUBLEASE RECORDED OCTOBER 6, 1999 AS DOCUMENT 99946792 AND RE-RECORDED FEBRUARY 22, 2000 AS DOCUMENT 00129948 MADE BY AND BETWEEN 77 WEST WACKER LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP AND 77 WEST WACKER DRIVE L.L.C., A DELAWARE LIMITED LIABILITY COMPANY, SAID PARCELS 7 AND 10 BEING DESCRIBED AS FOLLOWS:

PARCEL 7:

THE PROPERTY AND SPACE WHICH LIES BETWEEN HORIZONTAL PLANES WHICH ARE +50.63 FEET AND +80.63 FEET, RESPECTIVELY ABOVE THE CHICAGO CITY DATUM, AND WHICH IS ENCLOSED BY VERTICAL PLANES EXTENDING UPWARD FROM THE BOUNDARIES, AT THE SURFACE OF THE EARTH, OF THAT PART OF BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO, IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

ALL OF SUB-LOTS 1 TO 7 AND THE ALLEY IN THE ASSESSOR'S DIVISION OF LOT 5 IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO; ALSO, LOT 6 (EXCEPT THE EAST 20.00 FEET THEREOF) IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO ALL IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 10:

THAT PART OF THE LAND DESCRIBED BELOW WHICH IS DEMISED AS APPURTENANT RIGHTS IN THE LEASE NOTED ABOVE:

THAT PART OF BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

ALL OF SUB-LOTS 1 TO 7, AND THE ALLEY IN THE ASSESSOR'S DIVISION OF LOT 5 IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO; ALSO LOT 6 (EXCEPT THE EAST 20.00 FEET THEREOF) IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO; ALL IN THE SOUTHEAST 1/4 OF SECTION 9,

TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPT THAT PART WHICH LIES BETWEEN HORIZONTAL PLANES, WHICH ARE 50.63 FEET AND 80.63 FEET, RESPECTIVELY, ABOVE CHICAGO DATUM.

C. AN EXCLUSIVE EASEMENT FOR THE BENEFIT OF PARCELS 1, 2, AND 4 CREATED BY THE GRANT OF EASEMENT RECORDED AS DOCUMENT 90164870 AS AMENDED BY DOCUMENT 91096330 FOR A SECTION OF AIR SPACE FOR PURPOSES OF CONSTRUCTING, OWNING, OPERATING,

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MAINTAINING, REPAIRING AND REPLACING THE PLAZA OVER PARCELS 3 AND 5, BEING DESCRIBED AS FOLLOWS:

PARCEL 3:

THAT PART OF THE EAST 1/2 OF NORTH GARVEY COURT (SAID NORTH GARVEY COURT BEING THE WEST 1/2 OF LOT 2 AND THE EAST 20.50 FEET OF LOT 3; TOGETHER WITH THE NORTH 1.00 FOOT OF THE ORIGINAL 18-FOOT ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF THE AFORESAID PARTS OF LOTS 2 AND 3, THE SOUTH LINE OF SAID 1.00 FOOT STRIP BEING THE NORTH LINE OF WEST HADDOCK PLACE AS ESTABLISHED BY ORDINANCE PASSED SEPTEMBER 17, 1852) LYING ABOVE AN INCLINED PLANE HAVING AN ELEVATION OF +17.26 FEET ABOVE THE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF BLOCK 17 AND HAVING AN ELEVATION OF +21.23 FEET ABOVE THE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE AND LYING BELOW AN INCLINED PLANE HAVING AN ELEVATION OF +47.26 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF SAID BLOCK 17 AND HAVING AN ELEVATION OF +51.23 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE, ALL IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO, IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 5:

THAT PART OF WEST HADDOCK PLACE AS ESTABLISHED BY ORDINANCE PASSED SEPTEMBER 17, 1852; TOGETHER WITH THE SOUTH 1.00 FOOT OF THE ORIGINAL 18-FOOT ALLEY LYING NORTH OF AND ADJOINING THE NORTH LINE OF THE WEST 1/2 OF LOT 7 AND THE NORTH LINE OF THE EAST 20.50 FEET OF LOT 6 ALL TAKEN AS ONE TRACT LYING EAST OF THE SOUTHERLY EXTENSION OF THE WEST LINE OF THE EAST 20.50 FEET OF LOT 3 IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO, LYING WEST OF THE SOUTHERLY EXTENSION OF THE EAST LINE OF THE WEST 1/2 OF LOT 2 IN SAID BLOCK 17, LYING ABOVE AN INCLINED PLANE, HAVING AN ELEVATION OF +21.23 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE AFORESAID, AND HAVING AN ELEVATION OF +21.72 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE SOUTH LINE OF THE ORIGINAL 18-FOOT ALLEY AFORESAID, AND LYING BELOW AN INCLINED PLANE, HAVING AN ELEVATION OF +7.23 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE AFORESAID, AND HAVING AN ELEVATION OF +71.72 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE SOUTH LINE OF THE ORIGINAL 18-FOOT ALLEY AFORESAID, ALL IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

D. EASEMENTS FOR SUPPORT AS CREATED BY GRANT OF EASEMENT RECORDED AS DOCUMENT 90164870 AS AMENDED BY DOCUMENT 91096330 OVER PARCEL 5, SAID PARCEL 6 BEING DESCRIBED

AS FOLLOWS:

PARCEL 6:

THAT PART OF GARVEY COURT DEPICTED IN EXHIBIT "B" OF THE GRANT OF EASEMENT RECORDED AS DOCUMENT 90164870 AS AMENDED BY DOCUMENT 91096330.

E. NON EXCLUSIVE EASEMENT FOR PEDESTRIAN ACCESS BETWEEN THE COVERED PEDESTRIAN WALKWAY (SURROUNDING THE EXTERIOR SIDES OF THE GRANTORS BUILDING) AND THE PLAZA AND FOR A JOINT ACCESS STAIRWAY CONNECTING THE PARTIES' PROPERTIES, AS SPECIFICALLY DESCRIBED IN SAID INSTRUMENT, AS CREATED BY EASEMENT AGREEMENT DATED DECEMBER 5, 1990 AND RECORDED AS DOCUMENT 91092145 MADE BY AND BETWEEN CHICAGO TITLE AND TRUST COMPANY, AS TRUSTEE UNDER TRUST AGREEMENT DATED

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NOVEMBER 12, 1986 AND KNOWN AS TRUST NO. 1088617 AND 77 WEST WACKER LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP, OVER PARCEL 8; SAID PARCEL 8 BEING DESCRIBED AS FOLLOWS:

PARCEL 8:

THAT PORTION OF THE LAND DESCRIBED BELOW (THE STAIRWAY LAND) SUBJECT TO THE EASEMENT SET FORTH IN "E" ABOVE:

LOT 1 AND THE EAST 1/2 OF LOT 2 IN BLOCK 17 OF THE ORIGINAL TOWN OF CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

AND

A STRIP OF LAND LYING SOUTH OF AND ADJOINING LOT 1 AND THE EAST 1/2 OF LOT 2 IN BLOCK 17 OF THE ORIGINAL TOWN OF CHICAGO BOUNDED ON THE NORTH BY THE SOUTH LINE OF SAID LOTS AND ON THE SOUTH BY THE NORTH LINE OF PUBLIC ALLEY AS NARROWED BY ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF CHICAGO PASSED SEPTEMBER 17, 1852, ALL IN COOK COUNTY, ILLINOIS.

F. EASEMENTS OVER PARCEL 9 AS SET FORTH IN AGREEMENT BY AND AMONG AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED NOVEMBER 26, 1985 AND KNOWN AS TRUST NUMBER 66121; 200 NORTH DEARBORN PARTNERSHIP, AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED DECEMBER 19, 1989 AND KNOWN AS TRUST NUMBER 11025-08 AND 77 WEST WACKER LIMITED PARTNERSHIP, DATED DECEMBER 31, 1990 AND RECORDED MARCH 18, 1991 AS DOCUMENT 91119736, FOR WALL OPENINGS; USING, CONSTRUCTING, MAINTAINING, REPAIRING, RECONSTRUCTING AND RENEWING THE PLAZA, AND EXTENDING AND CONTINUING THE PLAZA; AND FOR "WALL WORK" AS THEREIN DEFINED; SAID PARCEL 9 BEING DESCRIBED AS FOLLOWS:

PARCEL 9:

THAT PORTION OF THE LAND DESCRIBED BELOW (THE WALL LAND) SUBJECT TO THE EASEMENTS SET FORTH IN "F" ABOVE:

ALL OF SUB-LOTS 1 TO 7 AND THE ALLEY IN THE ASSESSOR'S DIVISION OF LOT 5 IN BLOCK 17

IN THE ORIGINAL TOWN OF CHICAGO; ALSO LOT 6 (EXCEPT THE EAST 20.00 FEET THEREOF) IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO ALL IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

G. SUPPORT AND INGRESS AND EGRESS EASEMENTS AS CREATED BY AGREEMENT DATED OCTOBER 22, 1991, AND RECORDED MARCH 26, 1992 AS DOCUMENT 92199746 AMONG AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED JUNE 18, 1991, AND KNOWN AS TRUST NUMBER 52947, AND OTHERS OVER THOSE PORTIONS OF PARCELS 11A AND 11B, WHICH ARE SET FORTH IN SAID AGREEMENT; SAID PARCEL 11 BEING DESCRIBED BELOW.

H. CONSTRUCTION, REPAIR, SUPPORT, AND INGRESS AND EGRESS EASEMENTS AS CREATED BY AGREEMENT DATED OCTOBER 22, 1991, AND RECORDED NOVEMBER 12, 1991 AS DOCUMENT 91591893 AMONG AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED NOVEMBER 26, 1985, KNOWN AS TRUST NUMBER 66121, AND

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OTHERS OVER THOSE PORTIONS OF PARCEL 11A, WHICH ARE SET FORTH IN SAID AGREEMENT, SAID PARCEL 11 BEING DESCRIBED BELOW.

I. RIGHT TO PARK 169 CARS ON THOSE PORTIONS OF PARCEL 11B, AS SET FORTH IN PARKING AGREEMENT DATED OCTOBER 22, 1991 AND RECORDED APRIL 17, 1992 AS DOCUMENT 92280477 AMONG AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO AS TRUSTEE UNDER TRUST AGREEMENT DATED JUNE 18, 1991 AND KNOWN AS TRUST NUMBER 52947, 77 WEST WACKER LIMITED PARTNERSHIP, AND OTHERS, SAID PARCEL 11 BEING DESCRIBED, AS FOLLOWS:

PARCEL 11:

11A. ALL OF SUBLOTS 1 TO 7 AND THE ALLEY IN ASSESSOR'S DIVISION OF LOT 5 IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO;

ALSO

LOT 6 (EXCEPT THE EAST 20 FEET THEREOF) IN SAID BLOCK 17;

ALSO

ALL OF SUB-LOTS 1 TO 3 IN THE SUBDIVISION OF LOT 8 IN SAID BLOCK 17

ALL IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ALSO

THE NORTH 111.00 FEET OF THE EAST 1/2 OF LOT 7 (AS SUCH EAST 1/2 IS MEASURED ALONG THE SOUTH LINE OF LOT 7), LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +22.00 FEET ABOVE CHICAGO CITY DATUM;

THE SOUTH 16.00 FEET OF THE NORTH 127.00 FEET OF THE EAST 1/2 OF LOT 7 (AS SUCH EAST 1/2 IS MEASURED ALONG THE SOUTH LINE OF LOT 7), LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +14.66 FEET ABOVE CHICAGO CITY DATUM;

THAT PART OF THE EAST 1/2 OF LOT 7 (AS SUCH EAST 1/2 IS MEASURED ALONG THE SOUTH LINE OF LOT 7) EXCEPT THE NORTH 127.00 FEET THEREOF, LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +12.66 FEET ABOVE CHICAGO CITY DATUM;

THE EAST 20 FEET OF LOT 6 AND THE WEST 1/2 OF LOT 7 (AS SUCH WEST 1/2 IS MEASURED ALONG THE SOUTH LINE OF LOT 7), LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +29.00 FEET ABOVE CHICAGO CITY DATUM;

ALL IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

11B. LOT 27 IN LOOP TRANSPORTATION CENTER SUBDIVISION OF PART OF BLOCK 18 IN ORIGINAL TOWN OF CHICAGO IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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Street Address: 77 West Wacker Drive, Chicago, IL

Permanent Tax ID #s: 17-09-421-006-000 (Part of Parcel A-1)
17-09-421-007-000 (Part of Parcel A-1)
17-09-421-008-000 (Part of Parcel A-1)
17-09-421-012-000 (Part of Parcel A-1)
17-09-421-013-000 (Part of Parcel A-1)
17-09-421-014-000 (Part of Parcel A-1)
17-09-421-015-000 (Part of Parcel A-1)
17-09-421-016-000 (Part of Parcel A-4)
17-09-421-018-000 (Part of Parcel A-4)
17-09-422-009-000 (Parcel A-2)

17-09-422-010-000 (Part of Parcel B.7)
17-09-422-011-000 (Part of Parcel B.7)
17-09-422-012-000 (Part of Parcel B.10)

Property of Cook County Clerk's Office

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Exhibit B
Management Agreement

PROPERTY MANAGEMENT AND LEASING AGREEMENT

BETWEEN

77 WEST WACKER DRIVE, L.L.C., A DELAWARE LIMITED LIABILITY COMPANY ("Owner")

AND

PRIME GROUP REALTY, L.P.,

A DELAWARE LIMITED PARTNERSHIP ("Manager")

DATED SEPTEMBER 30, 1997

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**PROPERTY MANAGEMENT AND LEASING AGREEMENT
BETWEEN
77 WEST WACKER DRIVE, L.L.C., A DELAWARE LIMITED LIABILITY COMPANY
AND
PRIME GROUP REALTY L.P., A DELAWARE LIMITED PARTNERSHIP**

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PROPERTY MANAGEMENT AND LEASING AGREEMENT

THIS PROPERTY MANAGEMENT AND LEASING AGREEMENT ("Agreement") dated September 30, 1999, is between 77 WEST WACKER DRIVE, L.L.C., a Delaware limited liability company ("Owner"), and PRIME GROUP REALTY, L.P., a Delaware limited partnership ("Manager").

RECITALS

A. Owner is the owner of the R.R. Donnelly Building, an office complex consisting of a 50 story Class A office building located at 77 West Wacker Drive, Chicago, Illinois, with an area of approximately 94,556 net rentable square feet, a health club facility with an area of approximately 12,288 square feet on an air rights parcel adjacent to such building, a restaurant with an area of approximately 4,800 square feet and 45 indoor parking spaces, together with the land on which it is situated and all appurtenances to it, more particularly described on Exhibit A attached hereto and incorporated herein by reference (the "Property").

B. Owner desires the services of Manager to manage and lease the Property, and Manager desires to serve as manager and leasing agent for the Property, all upon the terms and conditions set forth below.

NOW THEREFORE, in consideration of the promises, covenants and conditions contained in this Agreement, Owner and Manager, intending to be legally bound, agree as follows:

AGREEMENT

1. Appointment. Owner hereby appoints Manager, and Manager hereby accepts appointment, on the terms and conditions hereinafter set forth, as sole and exclusive leasing and management agent for the Property. Manager recognizes that this Agreement creates a relationship of trust and confidence between Owner and Manager. Accordingly Manager shall manage the Property so as to maintain the Property, and the public image of the Property, as a first-class Class A office building in an efficient, professional manner, in accordance with the highest ethical and professional standards of property management to the extent within Manager's control, taking into account the Annual Budget for the Property.

2. Term. The term of this Agreement shall be one (1) year, commencing on October 1, 1999 and, subject to the provisions of Section 10 respecting termination, ending on September 30, 2000. This Agreement shall automatically renew for successive one (1) year renewal terms, subject, however, to the provisions of Section 10 respecting termination. Manager and Owner acknowledge and agree that under Section 7.3(viii) of the Operating Agreement of Owner, Owner may not enter into or terminate a management agreement without the consent of both members of Owner.

3. Services to be Performed by Manager. Manager shall provide the following services for Owner:

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(a) Managing the Property. Manager shall manage and operate the Property in an economical, efficient manner using up-to-date management methods, in compliance with applicable laws and regulations to the extent within Manager's control, taking into account the Annual Budget for the Property, and in accordance with property management standards for a first-class Class A office building in the central Chicago area. In connection with managing the Property, Manager shall perform the following:

(i) Collecting Rents. Manager shall make diligent efforts to collect all rents and other sums due from (A) tenants; (B) users of garage or other parking space; (C) concessionaires in connection with their authorized operation of facilities on or in the Property, and (D) all others from whom rents or other sums are due to Owner with respect to the Property in the ordinary course of business. Owner authorizes Manager to request, demand, collect, receive and receipt for all such rents and other charges in the name of and on behalf of Owner. However, Manager shall not refer any rent or other sum that is past due to any outside person or entity for collection, ~~or commence any legal or other proceedings, whether in the name of Manager or in the name of Owner, for the collection thereof and/or for the eviction of tenants and other persons from the Property, unless~~ Owner shall have given Manager prior written direction to do so. Such written direction shall designate the collection agencies or counsel to be retained to assist Manager in such collection or litigation. Owner reserves the right at any time, whether before or after litigation is commenced, to change counsel or to take over and control any litigation affecting or arising out of the Property or its operation. If Manager has complied with the foregoing provisions, all expenses reasonably incurred in connection with any such litigation, including court costs and fees for counsel for any such matter, shall be deemed an operating expense of the Property. Manager shall deposit all funds collected respecting the Property in the Bank Account (hereinafter defined in Section 5). Except to the extent limited by the terms of any loan documents encumbering the Property, after paying the expenses of the Property as set forth in Section 3(a)(ii) hereunder and maintaining a sufficient reserve for the timely payment of future expenses, Manager shall remit to Owner the remainder of the rents and other sums collected hereunder from time to time as directed by Owner, but in no event less often than the last business day of each month. Concurrently with transfer of such funds, Manager shall notify Owner by telecopy the amount of such transfer.

(ii) Paying Expenses.

(A) Manager shall disburse or cause to be disbursed regularly and punctually from the Bank Account the amount of all operating expenses of the Property and payments of principal, interest and any other sums payable to the obligee under any note or other obligation of Owner secured by a mortgage of the Property (the "Mortgage Debt"), including but not limited to, utility expenses, taxes and assessments, and insurance premiums, either payable to third parties or reimbursable to Manager. Manager shall have no obligation to advance any of its funds to or on behalf of Owner. Notwithstanding the foregoing, Manager shall not disburse any sum in excess of Fifty Thousand Dollars (\$50,000.00) (the "Dollar Limitation") in connection with the operation, maintenance or repair of the Property, whether such expenditures are operating or capital expenditures, except (1) those operating items or transactions set forth in the Property's Approved Budget (hereinafter defined),

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(2) utility service charges, (3) those incurred in the case of an emergency requiring immediate repairs or other action necessary for the preservation and safety of the Property or to avoid the suspension of any necessary services to the Property or to avoid any danger to life or property, (4) the regular monthly installments of principal, interest and any other sums payable to the obligee on account of the Mortgage Debt, or (5) with the prior written consent of Owner. The Dollar Limitation shall apply to all expenses incurred by Manager except as otherwise provided, if at all, in this Agreement. With regard to the exception for emergency repairs or other emergency action, Manager shall notify Owner as soon as possible of the necessity for, the nature of, and the cost of such emergency repairs or other action. All capital expenditures greater than \$50,000 must be approved in writing by Owner unless previously set forth in the Approved Budget.

(B) Notwithstanding anything contained in this Section 3, Owner, upon prior written notice to Manager, may request that certain expenses or categories of expenses be submitted to Owner for review and approval prior to payment.

(C) Manager shall not be reimbursed under this Agreement for the following expenses:

(1) cost of salary, wages, commissions or other remuneration, and related benefits for any officer, director, partner, principal or executive of Manager, except that Manager shall be (i) reimbursed the salary and other benefits of the employees of Manager working solely at the Property, including, but not limited to, the full-time building manager ("Building Manager"), as set forth in Section 3(a)(vii) as an operating expense of the Property, so long as such Building Manager devotes his or her full time to, and only to, management, maintenance and operation of the Property and (ii) the costs incurred by Manager to pay salary and benefits or compensation to project accountants, real estate tax consultants and insurance consultants reasonably allocable to the Property (as opposed to other properties as to which such persons perform such services);

(2) overhead and general expenses of Manager of every kind including, without limitation, telephone, stationery, postage, forms, letters, supplies and equipment, whether or not used by Manager on or for the Property, provided, however, that Owner shall be responsible for payment or reimbursement to Manager for telephone, postage, supplies and equipment used on or solely for the Property;

(3) interest and depreciation on capital expenditures of Manager other than capital expenditures permitted under this Agreement that are incurred solely for the benefit of the Property;

(4) overhead and profit on amounts paid in connection with the management, maintenance and operation of the Property; and

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(5) except to the extent provided in Section 3(a)(ii)(C)(1)(ii) hereof, general accounting and reporting services as such services are performed by Manager, to the extent not related to the Property, including, but not limited to, cost of electronic data processing equipment or cost of data processing provided by third party data processing companies.

(D) Owner shall make available space in the Property for a Property management office, which office the Building Manager shall use solely to perform the duties set forth in this Agreement. Owner may determine the size and location of such office. Manager shall not pay any rent or other charges by reason of such office, unless such rent or other charges may be passed through to tenants in accordance with the leases in place at the Property, in which event Owner shall reimburse Manager for such rent and other charges. The cost of remodeling the space, and the cost (or rental) of furniture, furnishings, fixtures and equipment, including but not limited to, a personal computer and similar electronic devices (such as printers, facsimile machines and so forth), to be placed in such office shall be paid by Owner as an operating expense of the Property.

(iii) Preparing the Annual Budget. Manager may use the current annual budget in use for the 1999 calendar year and previously submitted to the State Teachers Retirement System of Ohio for the balance of 1999. As soon as possible after the date of this Agreement, but in no event longer than sixty (60) days after the date of this Agreement, and thereafter at least ninety (90) days before the beginning of each new Fiscal Year (hereinafter defined), Manager shall prepare and submit to Owner (A) a proposed operating and capital budget in preliminary draft form for the promotion, operation, improvement, repair and maintenance of the Property, setting forth an itemized statement of the estimated receipts and disbursements for the new Fiscal Year, based upon a proposed rent schedule included therein, and taking into account, without limitation, (I) the general condition of Property, (II) the rate of completion of contemplated repairs and improvements to the Property, and (III) the occupancy, physical condition and rentals charged for the Property and for competing projects in the area, (B) a schedule of job descriptions and requirements for all employees, (C) a schedule of wage rates and all other compensation and fringe benefits, (D) detailed cleaning and maintenance schedules, (E) a schedule of competitive bids (providing for soliciting such bids at least once every three years) or estimates for all service contracts and capital expenditures as provided for in subparagraph (iv) below in excess of \$100,000, and (F) a statement outlining a plan of operation and justifying the estimates. Manager shall submit to Owner, within thirty (30) days after Owner's approval (or approval with modifications) of the preliminary draft budget, the budget in final form, which, collectively with the annual budget identified in the first sentence of this paragraph, shall constitute, the "Approved Budget". The Approved Budget, shall constitute a standard to which Manager shall adhere. Manager shall promptly report in writing to Owner any real or anticipated material deviations from the Approved Budget as and when same occur or become apparent to Manager. The Approved Budget shall be in such form as Owner may from time to time reasonably require. The fiscal year of the Property shall be from the first (1st) day of January of each year, to and including the last day of December of such year (the "Fiscal Year"). The Fiscal Year may not be changed without the express prior written approval of Owner.

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(iv) Making Contracts for the Property. Subject to approval by Owner, which approval Owner shall not unreasonably withhold, Manager, as agent for Owner, shall enter into contracts for water, electricity, gas, fuel, oil, telephone, vermin extermination, janitorial service, trash removal, snow removal and other necessary services, or such of them as Owner shall deem advisable. Manager shall also place orders in Manager's name for such equipment, tools, appliances, materials and supplies ("Personal Property") as are necessary to maintain the Property properly, subject to (a) limitations of the Approved Budget, (b) the Dollar Limitation, (c) the Duration Limitation (hereinafter defined), and (d) any other reasonable limitations from time to time imposed by Owner, including without limitation, the right of Owner to require that contracts be awarded by competitive bid. Manager shall obtain three (3) competitive bids for all service contracts providing for a contract price of \$100,000 or more. If it is not practical to obtain competitive bids while preparing the annual budget, Manager shall estimate the cost for the budget and shall obtain the competitive bids when practical. When taking bids or issuing purchase orders, Manager shall act at all times under the direction of Owner and shall be under a duty to secure for and credit to Owner any discounts, concessions, rebates or allowances obtainable as a result of such purchases. No contract for any recurring service or involving any recurring expense shall extend for a period longer than one (1) year (the "Duration Limitation"), and where possible shall not extend beyond the Fiscal Year, except for customary contracts for elevator maintenance service and tax valuation consulting services, which may extend for periods customary for such contracts from time to time. Any such contract, except for customary contracts for elevator maintenance services and tax valuation consulting services, shall include a provision for Owner's right to cancel prior to the end of the stated term, preferably upon thirty (30) days' prior written notice. No such contract shall be entered into with Manager or with any person or entity affiliated or associated with Manager for any service, or for purchase of any Personal Property, or otherwise, whether or not recurring, unless in each instance Manager has notified Owner in writing of such fact and of all the terms and conditions of such proposed contract.

(v) Maintaining the Property. To the extent within Manager's reasonable control, taking into account the Approved Budget, Manager shall maintain the grounds, buildings and other improvements of the Property in a clean and marketable condition, in accordance with standards for a first-class Class A office building complex in the central Chicago area, acceptable to Owner, including within such maintenance, without limitation, interior and exterior cleaning, painting and decoration, maintenance of electrical, heating, air-conditioning, plumbing and carpentry, and such other normal maintenance and repair work as may be desirable, subject to limitations of the Approved Budget, the Dollar Limitation, the Duration Limitation, and other limitations from time to time imposed by Owner. All work in the making of any and all major repairs, improvements, additions or alterations to the Property that cannot be handled by employees of Manager shall be done under written contract (i) made with express prior written approval of Owner or (ii) contemplated in the then effective Approved Budget.

(vi) Maintaining Insurance.

(A) Owner shall maintain, or shall authorize Manager to maintain, at Owner's expense, throughout the term of this Agreement, commercial general

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liability insurance policy in such amounts and with such insurance carriers as Owner from time to time shall determine, insuring Owner and naming Manager as an additional insured. Manager shall pay the premiums and other charges with respect thereto out of the Bank Account as operating expenses of the Property. At any time hereafter, Owner may in writing direct Manager to arrange for and place all or any such insurance. Manager, on its own behalf, shall also maintain, and provide to Owner evidence of maintaining, comprehensive general liability insurance in an amount not less than Two Million Dollars (\$2,000,000.00), naming Owner as an additional insured as its interest may appear.

(B) Owner shall maintain, or shall authorize Manager to maintain, at Owner's expense, such all risk coverage and other insurance on the Property in such amounts and with such insurance carriers as Owner shall from time to time determine. All property insurance carriers covering the Property shall waive any right of subrogation against Manager for negligence in the performance of its services under this Agreement with respect to any all risk or other like insurance claim paid to Owner regarding the Property. In the event of self-insurance by Owner of the property damage coverage, Owner agrees that it will waive any right against Manager for negligence in the performance of Manager's services under this Agreement to the extent that such negligence causes all risk coverage damage to the Property that would have been covered had Owner carried all risk coverage insurance.

(C) Manager shall cause to be placed and kept in force all forms of insurance required by law or needed to protect Manager and Owner, including, but not limited to, workers' compensation insurance, unemployment insurance, and other like insurance necessary to protect Owner and Manager from claims of employees, and insurance against theft by Manager's employees. Except to the extent provided to the contrary under any loan documents encumbering the Property, Manager shall place all insurance coverage with such companies, in such amounts, and with such beneficial interest appearing therein as shall be acceptable to Owner, in its reasonable discretion. Such insurance coverage shall otherwise be in conformity with the requirements of law or any contractual obligation of Manager with respect thereto. In any event, all such policies shall, at a minimum, name Owner as beneficiary and each shall provide that the policy shall not be canceled or amended unless thirty (30) days' prior written notice of such cancellation or amendment is given to Owner.

(D) Manager shall notify Owner, in writing, of any fire or any other damage to the Property (and in the case of any serious fire or other serious damage to the Property, Manager shall also immediately telephone notice thereof to Owner and to all insurance carriers carrying insurance on the Property, so that the insurance adjuster(s) may view the damage before repairs are started). Manager shall in writing promptly notify Owner and Owner's general liability insurance carrier(s) of any personal injury or property damage occurring to or claimed by any tenant or third party on or with respect to the Property, and shall forward to the carrier(s), with copies to Owner, any summons, subpoena, or other like legal documents served upon Manager relating to actual or alleged potential liability of Owner, of Manager, or of the Property. Manager promptly shall investigate and make a full written

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report to Owner and to Owner's insurance carriers as to all accidents, claims for damage relating to the ownership, operation and maintenance of the Property, and any damage to or destruction of the Property, together with an estimate of the cost of repair thereof, and shall prepare for approval by Owner any and all reports, loss claim forms and other documents required by any insurance carrier in connection therewith. All such reports, loss claim forms and other documents shall be furnished by Manager to Owner promptly after the occurrence of any such accident, claim, damage or destruction, and copies thereof shall also be attached to the Monthly Report (hereinafter defined in Section 3(a)(viii)(B)) delivered to Owner. Manager is authorized to settle any and all claims against insurance carriers for damages to the Property not in excess of Ten Thousand Dollars (\$10,000.00) arising out of any policies, including the execution of proofs of loss, the adjustment of losses, signing of receipts, and the collection of money which shall then be deposited in the Bank Account. If any such claim is greater than Ten Thousand Dollars (\$10,000.00), Manager shall not act without the express prior written approval of Owner. All claims with respect to personal injury or damage to property (other than damage to the Property) shall be referred by Manager to Owner for further action.

(E) Manager agrees to pay and otherwise indemnify Owner for any expenses, damages or losses incurred by Owner, including but not limited to, any deductible under any insurance policy, as a result of the willful or grossly negligent acts or omissions of Manager or Manager's personnel, to the extent not covered by liability insurance actually carried by Owner, as provided in this Section 3(a)(vi). The amount of reimbursement required by this Section shall be reduced by the amount of proceeds, if any, payable to Owner under the fidelity bonds required by Section 6 of this Agreement.

(vii) Employing Personnel. Consistent with the Approved Budget, Manager shall interview, investigate, hire, pay, supervise, discipline and discharge the personnel necessary to be employed in or on the Property in order to properly manage, maintain and operate the Property, including, without limitation a full-time Building Manager, who devotes all of his or her time and effort to management of the Property. Manager shall not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, physical handicap, age or sex. All employment advertising shall indicate that Manager is an "Equal Opportunity Employer." Such personnel shall in every instance be employees of Manager and not of Owner. Owner shall have no right to hire, supervise, direct, discipline or discharge any such employee; but Owner may nevertheless require Manager to remove from the Property such employees as Owner, in its reasonable discretion, deems unsatisfactory and to provide acceptable replacement employees. Owner shall reimburse Manager for all salaries, wages and other compensation, including so-called fringe benefits, medical and health insurance, pension plans, 401(k) plans, social security, withholding taxes, workers' compensation insurance, unemployment insurance, and the like, of personnel employed by Manager including the full-time Building Manager. Such salaries, wages, and other compensation shall be Manager's expenses to be paid by Manager, but shall be reimbursable by Owner to Manager, subject to the limitations of the Approved Budget, as evidenced by payrolls certified by Manager in such form and manner as may from that time be reasonably required by Owner, and delivered to Owner with the Monthly Reports. Manager

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understands and agrees that its relationship to Owner is that of independent contractor and that it will not represent to anyone that its relationship to Owner is other than that of independent contractor.

(viii) Miscellaneous.

(A) Records. Manager shall maintain at the Property or at such other place as may be approved in writing by Owner a comprehensive system of office records, books, and accounts in a manner reasonably satisfactory to Owner. Manager shall keep proper records of all receipts and disbursements with respect to the management, maintenance and operation of the Property, and shall retain all bank statements, all check registers, all canceled checks (except canceled checks forwarded to Owner in lieu of receipts), all invoices, bills and supporting data with respect thereto, and all employment records for a period of at least seven (7) years. Owner shall have the right to inspect and audit such records and statements required by this Agreement at reasonable hours upon reasonable prior notice during the term of this Agreement and for a period of one (1) year after the effective termination date, and at any time to make copies of all bank statements, check registers, canceled checks and invoices, bills and supporting data related to the Property. If an audit discloses an under-statement in Gross Collections (hereinafter defined in Section 4(a)) of four percent (4%) or more, then Manager shall pay to Owner the reasonable costs and expenses, including but not limited to, the expenses of any audit, that may be incurred by Owner in determining such discrepancy. Manager shall keep all such records safe, available, and separate from any records not having to do with the Property and shall establish and maintain such controls as are reasonably required to protect the same from accidental or intentional loss, destruction, alteration, or fraudulent activity of Manager, or its employees and associates. Copies of guarantees and warranties pertinent to any service provided to or Personal Property purchased for the Property, and in force at the time of execution of this Agreement, may be furnished to Manager, which will be responsible for the safekeeping of such guarantees and warranties. Manager further will be similarly responsible for copies of construction plans and "as-built" drawings, if furnished to it by Owner, and for keeping the same current and up to date.

(B) Monthly Reports. On or before the fifteenth (15th) day of each calendar month during the term of this Agreement, Manager shall render to Owner a detailed written report (the "Monthly Report"), including the items described in Exhibit B, attached hereto and incorporated herein by reference, for the immediately preceding calendar month. Manager shall prepare all financial statements that are a part of the Monthly Report on a cash basis unless otherwise indicated. The Leasing Status Report indicated in Exhibit B shall include an assessment of the success of the marketing plan, including but not limited to, the number of calls made to prospective tenants in accordance with such marketing plan, and a report on prospective tenants, including but not limited to, the status of negotiations with each such prospective tenant. The Monthly Report shall follow Owner's chart of accounts and be in such form as Owner may from time to time reasonably require. In addition to the Monthly Report book, Manager shall provide an extra unbound copy of reports 1, 2, 7, and 14 as listed in Exhibit B. Each Monthly Report shall, if requested by Owner,

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be supported by copies of invoices, bills or other supporting data, and by evidence of receipt of services and delivery of Personal Property, and by itemization of and supporting data for any sums retained by or claimed to be due to Manager as a Management Fee (hereinafter defined), a Leasing Commission (hereinafter defined), or otherwise. The Monthly Report shall include all notices of default received from any mortgagee of the Property with respect to payment made to such mortgagee during the period covered by the Monthly Report of the Property. Manager shall deliver promptly to Owner all notices of default from any mortgagee other than notices given prior to a payment due date specifying the amount of payment due on such date.

(C) Annual Report. Within ninety (90) days after the end of each Fiscal Year of the Property, Manager shall deliver to Owner an income statement showing the results of operations for that Fiscal Year, a balance sheet of the Property as of the end of that Fiscal Year, and a statement of changes in cash flows for such Fiscal Year, all prepared in accordance with cash basis accounting principles consistently applied (collectively, the "Annual Report"); and if Owner shall at any time request in writing that such statements be certified by a certified public accountant, such accountant shall be appointed by Owner and shall be paid by Manager out of the Bank Account as an operating expense of the Property. Such accountant may initially be Ernst & Young, but Owner reserves the right to require the use of a different certified public accounting firm.

(D) Tenant Complaints. Manager shall maintain businesslike relations with tenants. Manager shall maintain a log setting forth tenants' service requests and complaints received and Manager's action taken to resolve the same. Manager's log shall be continuously maintained, and it shall not be destroyed or altered without the express prior written consent of Owner. Manager shall, after thorough investigation, report complaints of a serious nature to Owner with copies of supporting documentation and with appropriate recommendations.

(E) Inspections. As part of a continuing program to secure full performance by tenants of all maintenance and other obligations for which they are responsible, Manager shall make regular inspections of the Property, including all rentable and common areas, and, in addition, shall make such other inspections as may be required or contemplated under tenant leases. Periodically, and, in addition, whenever requested by Owner, Manager shall report its findings to Owner on a form to be drafted by Manager and approved by Owner.

(F) Personnel Returns Required by Law. Manager shall prepare, execute and file punctually when due (after giving effect to any applicable extension periods) all forms, tax returns and other reports required by law relating to the employment of personnel. Manager shall promptly and timely pay all taxes and other payments required in connection therewith.

(G) Compliance with Legal Requirements. Subject to the limitations set forth in this Agreement, Manager shall take such necessary action at Owner's expense to comply with any and all orders or requirements affecting the Property by any federal,

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state, county, municipal or other authority having jurisdiction thereover, and to comply with orders of the Board of Fire Underwriters or other similar bodies. Manager, however, shall not take any such action so long as Owner is contesting or has affirmed to Manager Owner's intention to contest (and promptly institutes proceedings contesting) any such order or requirement, except that if failure to comply promptly with any such order or requirement would or might expose Manager to civil or criminal liability, Manager shall cause the same to be complied with, with or without Owner's approval, at Owner's expense.

Manager shall promptly, and in no event later than the close of the third business day following receipt of such orders and requirements, give written notice to Owner of all such orders and requirements and shall deliver to Owner copies thereof.

(H) Claims for Tax Abatements and Eminent Domain Awards. When requested by Owner, Manager shall, from time to time and without charge or reimbursement, except for out-of-pocket expenses and the expense of Manager's employees incurred by Manager and reasonably allocable to such negotiation and prosecution of the following claims as contemplated in Section 3(a)(ii)(c)(1)(ii), cooperate with Owner in the negotiation and prosecution of all claims for the abatement or reduction of property and other taxes, and improvement assessments, affecting the Property and for awards for any taking by eminent domain affecting the Property.

(I) Manager Orientation. To facilitate efficient operation of the Property, Manager will inform itself and its employees and associates with respect to the layout, construction, location, character, plan and operation of the lighting, heating, plumbing, air-conditioning, and ventilating equipment and systems, as well as elevators, if any, and other electrical and mechanical equipment and systems on or in the Property.

(J) Additional Duties. In addition to the duties expressly provided for in this Agreement, Manager shall perform such additional acts and provide such additional services in connection with the Property as are incidental, reasonable, necessary and proper to completely and fully carry out its obligations hereunder at Owner's expense. If Manager or its related entities provide services that are not contemplated by this Agreement, Manager or its related entities shall not be entitled to any compensation for such services in addition to that which is provided for in Section 4 below without the prior written consent of Owner, which shall not be unreasonably withheld.

(b) Renting the Property. Manager shall use diligent efforts to lease vacant space, and to keep the Property fully rented to desirable, credit-worthy tenants. In connection with the leasing of the Property, Manager shall perform the following:

(i) Enlisting Cooperating Brokers. Manager is hereby authorized to enlist the services of other real estate brokers, at its own expense. In the case of Manager's enlisting such brokers, Owner shall pay leasing commissions to Manager as provided in Section 4(c) of this Agreement calculated at the rate provided in Section 4(c) when Manager is working

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with third party brokers, but Manager, not Owner, is liable to pay any such broker without reimbursement from Owner other than the leasing commission calculated in accordance with Section 4(c). Provided that Owner has performed its obligation to Manager to pay leasing commissions on account of a given lease, Manager shall indemnify and hold harmless Owner from and against any and all loss, cost, damage and expense, including attorneys' fees, arising out of or relating to any claim by any real estate broker, agent or finder other than Manager in connection with such lease of the Property. Manager shall advise in writing all cooperating brokers of the provisions of this Agreement requiring cooperating brokers to look only to Manager for commissions, other compensation, and reimbursement for expenses.

(i) Advertising the Property. Subject to the restraints of good business judgment and budgetary guidelines, and subject to the limitations hereinafter set forth, Manager shall advertise the Property or portions thereof, prepare and secure advertising signs, publish and distribute brochures, and advertise in periodicals and other forms of advertising. All such advertising in excess of that contemplated in the then effective Approved Budget shall be subject to Owner's prior written approval. Unless so approved in advance, Owner shall have no responsibility to pay therefor except to the extent that such payment is contemplated in the then effective Approved Budget. No confidential information regarding the Property shall be released or distributed to the public or to prospective tenants without such information having first been approved in writing by Owner, except to the extent required by applicable law. In no event shall such advertising contain any designation or other reference to Owner as the owner of, or as being otherwise associated in any way with the Property, unless Owner in each instance has given express prior written consent to such designation or reference.

(ii) Marketing the Property. Within sixty (60) days after the execution of this Agreement, Manager shall develop a preliminary marketing plan. Thereafter, Manager shall develop an annual plan for marketing the Property in accordance with the business terms established by Owner. Manager shall submit such plan for review to Owner at the same time as Manager submits the proposed budget for review. Manager shall include in the Monthly Report an assessment of the success of the marketing plan and a report on prospective tenants.

(iv) Referrals; Negotiating. Owner shall refer to Manager all inquiries for any rental of space or for renewals of leases for space in the Property. Except for conflicts of interest as hereinafter set forth, all negotiations connected therewith shall be conducted solely by or under the direction of Manager. Manager shall make such investigation of prospective tenants as shall be reasonable and consistent with good property management standards and with the business terms established by Owner.

(v) Preparing Standard Leasing Form. Standard lease forms, renewal forms, and other agreement forms shall have the prior written approval of Owner, which approval Owner may withhold arbitrarily. Owner shall furnish to Manager the proposed form for such standard leases upon execution of this Agreement. At Owner's request, Manager shall prepare and furnish to Owner a proposed form for such standard leases for Owner's written approval. Manager shall not use any form of lease which Owner has not theretofore approved in writing. Owner may from time to time, and for any reason

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whatever, change, or require Manager to change, any standard form then in use for the Property in any reasonable respect. From and after the date Owner shall approve any such revised form, Manager shall use the same. All tenant leases, amendments and renewals shall be submitted to Owner for its approval and execution, along with a credit analysis acceptable to Owner, in its sole discretion. Such credit analysis shall, when available, include at least two (2) full years of income statements, balance sheets, and income tax returns. If Manager submits to Owner a proposed lease with respect to a prospective tenant which shall have been in business for five (5) years or less, Manager shall, in addition to the proposed lease, submit a business plan, including a sources and uses of cash projection, and business and credit references.

(vi) Maintaining Records. Manager shall maintain complete records with respect to its arrangements with other cooperating brokers, including but not limited to, the date any such cooperating broker has approached Manager to register a prospective tenant; and each lease shall contain the name of any cooperating broker and the amount of any such "co-op" leasing commission.

4. Compensation of Manager. The compensation of Manager during the term of this Agreement shall be determined as follows:

(a) Management Fee. Manager shall be compensated for its services under Section 3 of this Agreement in an amount equal to two and one half percent (2½%) of Gross Collections (hereinafter defined in Section 4(a)) collected by Manager in the current calendar month as set forth in the Monthly Report (the "Management Fee"). Manager shall include in the Monthly Report the calculation used in determining the Management Fee. The Management Fee for each month shall be accrued as of the first day of the current month, or the date that Gross Collections are cut off for such month, whichever date is later. Manager is authorized to pay itself the Management Fee during any check run subsequent to the date that the Management Fee is accrued.

As used in this Agreement, the term "Gross Collections" shall mean all amounts actually collected by Manager as rents or other charges for use and occupancy of the Property, but shall exclude: (i) income derived from interest on investments or otherwise; (ii) proceeds of claims on account of insurance policies; (iii) abatement or refund of taxes; (iv) awards arising out of takings by eminent domain; (v) discounts and dividends on insurance policies; (vi) receipts and other income from or on account of vending machines and other concessions; (vii) all purchase discounts, concessions, rebates and allowances; (viii) reimbursement by any tenant, whether in a lump sum or in installments, of expenditures made by Owner for tenant improvements; (ix) security, cleaning and all other like deposits; and (x) parking income, except that parking income shall not be excluded that is collected during any period when Manager, rather than a third party, is managing the parking facilities located at the Property. Gross Collections shall be reduced by any refund paid to a tenant respecting any sum that was originally included in Gross Collections. For the purpose of the foregoing sentence, income from automatic teller machines shall not be deemed to be income from or on account of vending machines or other concessions.

(b) Expenses. Owner shall reimburse the Manager for all expenses incurred pursuant to Section 3(a), to the extent not paid either by Owner, or by Manager directly out of the Bank Account, except as otherwise specifically provided in Section 3(a).

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(c) Leasing Commissions. For Manager's services under Section 3(b) of this Agreement, Owner shall pay to Manager a leasing commission ("Leasing Commission"), which shall be determined and paid as hereinafter set forth:

(i) Existing Leases. Manager shall not be entitled to a Leasing Commission by virtue of any leases heretofore executed by Owner for space in the Property, whether or not the terms of such leases have commenced or the tenants under such lease have commenced to occupy the space, except that Manager shall be entitled to a leasing commission on account of the lease amendment executed by McGuire Woods Battle & Boothe LLP, in September, 1999, providing for and expansion of the space leased to it if Owner executes such amendment.

(ii) Property Management Office Space. Manager shall not be entitled to a Leasing Commission on account of any space in the Property leased to or occupied as the Property Management office by either Owner, Manager or both.

(iii) Existing Tenants. Manager shall not be entitled to receive commissions on leases currently being negotiated by Owner or Owner's agent with any tenants listed in Exhibit C, attached hereto and incorporated herein by reference.

(iv) New Leases. On all new leases for space in the Property and expansions of space for existing tenants, Owner shall pay to Manager as a Leasing Commission an amount equal to the sum of eight percent (8%) of the Base Term Rental (hereinafter defined in this Section 4(c)(iv)) for the first year of the term of such lease and three percent (3%) of the Base Term Rental for the next fifteen (15) years of the term of such lease. Notwithstanding the foregoing, if a bona fide third-party broker represents the tenant and Manager is obligated to pay such broker a "co-op" leasing commission, Owner shall pay Manager an amount equal to the sum of (i) the actual amount of such "co-op" leasing commission, but in no event greater than the sum of eight percent (8%) of the Base Term Rental (hereinafter defined) for the first year of the term of such lease and three percent (3%) of the Base Term Rental for the next fifteen (15) years of the term of such lease, and (ii) the sum of four percent of the Base Term Rental (hereinafter defined in Section 4(C)(iv)) for the first year of the term of such lease and one and one half percent (1½%) of the Base Term Rental for the next fifteen (15) years of the term of such Lease. Manager, and not Owner, shall pay all leasing commissions, fees, and commissions of the co-operating broker based on a written commission agreement between the Manager and the co-operating broker, and shall hold Owner harmless for all claims for commissions, fees, or expenses in excess of the amounts stated above provided that Owner shall have performed its obligation to pay leasing commissions to Manager in respect of leases as to which such claims are asserted.

As used in this Agreement "Base Term Rental" shall mean the aggregate average annual fixed rental respecting such lease (or with respect to expansion space such increased average annual fixed rental attributable to such expansion space) during the original term of the lease not to exceed fifteen (15) years, less (A) rental concessions, abatements, or other allowances, or (B) any amortization of expenditures made by Owner for above standard tenant improvements, whether or not included as annual fixed rent, or (C) if an existing tenant enters into a new lease and cancels the existing lease or enters into a

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modification for the existing lease that has the effect of modifying the financial terms of the existing lease prior to the expiration of the existing lease, an amount equal to (I) the total rental obligation under the existing lease, taking into account, but not limited to, annual fixed rent, percentage or other rent, parking fees, expense pass-throughs, net of any abatements or concessions, plus an amount equal to the unamortized portion of the Owner's or landlord's share of the tenant improvement costs, for the remainder of the unexpired term of the existing lease, less (II) the total rental obligation under such new lease or modification, taking into account, but not limited to, annual fixed rent, expense pass-throughs, net of any abatements or concessions, plus the amortization of the above-standard tenant improvement costs, for the time period that is equal to the remainder of the unexpired term of the existing lease, but in no event shall such amount be less than zero (0). Base Term Rental shall not include any amounts payable for the right to park vehicles. If a rental under a given lease is calculated on a gross basis, rather than a net basis, Base Term Rental shall be calculated on what the amount of Base Term Rental would be were such rental calculated on a net, as opposed to a gross, basis. Provided that Owner shall have performed its obligation to pay Manager lease commissions on account of a given lease. Manager, not Owner, shall pay any cooperating broker its commission in connection with such lease regardless of whether the amount set forth above is insufficient to pay such cooperating broker's claim for a leasing commission. Except as provided for in this Section 4(c), no other commission, compensation or reimbursement for expenses, shall be otherwise due and payable to Manager under any circumstances.

(v) Renewals Manager shall not be entitled to a Leasing Commission by reason of any tenant's exercise of a renewal option. If, however, such option is renegotiated or modified or if an existing tenant under an existing lease enters into a new lease of the same space or the same amount of space (any such new lease being a "Renewal Lease") for a term extending beyond its existing lease, and Manager has been actively involved in such renegotiation, modification or new lease, Owner shall pay to Manager a Leasing Commission equal to three percent (3%) of the Renewal Term Rental (hereinafter defined). For purposes of this Agreement, "Renewal Term Rental" shall mean the aggregate average annual fixed rental respecting such lease during the applicable renewal term of the lease not to exceed fifteen (15) years, less (A) rental concessions, abatements, or other allowances, or (B) any amortization of expenditures made by Owner for tenant improvements included as annual fixed rent, or (C) if an existing tenant enters into a new lease and cancels the existing lease or enters into a modification for the existing lease that has the effect of modifying the financial terms of the existing lease prior to the expiration of the existing lease, an amount equal to (I) the total rental obligation under the existing lease, taking into account, but not limited to, annual fixed rent, percentage or other rent, parking fees, expense pass-throughs, net of any abatements or concessions, plus an amount equal to the unamortized portion of the Owner's, or landlord's, share of the tenant improvement costs, for the remainder of the unexpired term of the existing lease, less (II) the total rental obligation under such new lease or modification, taking into account, but not limited to, annual fixed rent and expense pass-throughs, net of any abatements or concessions, plus the amortization of the above-standard tenant improvement costs, for the time period that is equal to the remainder of the unexpired term of the existing lease, but in no event shall such amount be less than zero (0). Renewal Term Rental shall not include any amount payable for the right to park vehicles. Provided that Owner shall have performed its obligation to pay Manager leasing commissions on account of renewal of a

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given Renewal Lease, Manager, not Owner, shall pay any cooperating broker its commission, regardless of whether the amount set forth herein is insufficient to pay such cooperating broker's claim for a leasing commission. Notwithstanding the foregoing, if a bona fide third party broker represents the tenant in connection with a Renewal Lease and Manager is obligated to pay such broker a "co-op" leasing commission, Owner shall pay Manager an amount equal to the sum of (i) the actual amount of such "co-op" leasing commission, but in no event greater than the sum of four percent (4%) of the renewal term rental for the first year of the term of such Renewal Lease and one and one half percent (1½%) of the Renewal Term Rental for the next fifteen (15) years of the term of such Renewal Lease and (ii) the sum of three percent of the Renewal Term Rental for the term of such Renewal Lease.

(vi) Holdover. Manager shall not be entitled to a Leasing Commission by virtue of any holdover of any tenant of such space.

(vii) Payment of Leasing Commissions. Leasing Commissions shall be due and payable to Manager as follows: (A) fifty percent (50%) of the Leasing Commission upon the execution of a lease or lease amendment, as the case may be, by Owner and tenant; and (B) the balance of the Leasing Commission upon (1) receipt of the first month's rent due and payable under the terms of the lease for which a Leasing Commission is earned or, if tenant is entitled to free rent, when the first month's rent would have been due and payable notwithstanding the free rent, (2) the tenant's possession of the leased space, (3) the tenant's execution of an estoppel certificate or letter as indicated in the lease, and (4) an estoppel certificate acknowledging that all work required to be performed by Owner or Manager pursuant to such lease has been completed, or, if not completed, setting forth such exceptions to completion as may exist. Manager shall provide Owner with an invoice for such Leasing Commission. Manager shall be authorized to withdraw such fee from the Bank Account within thirty (30) days after Owner's approval of such invoice.

(viii) Change of Leasing Terms. Manager shall not be entitled to a Leasing Commission by reason of any change made in the rental rate, the term of the lease (except renewal or extension as hereinbefore set forth) or any other provisions of any lease after the tenant has taken possession under the original lease, except for the taking of additional space by the tenant during the term of Manager's employment hereunder as rental agent.

(ix) Commission After Termination. Manager shall not be entitled to a Leasing Commission respecting a lease for space in the Property executed by Owner after, or renewed by any tenant after, termination of this Agreement, unless, within thirty (30) days following notice of termination of this Agreement, Manager shall register with Owner in writing a list of all prospective tenants with whom Manager was in bona fide, active negotiation at the time of giving or receipt of such notice of termination, setting forth with respect to each such prospective tenant, the tenant's name and address, and the space(s) in the Property for which negotiations were then in progress, and, thereafter, within a period of two hundred seventy (270) days after the effective date of termination, a lease with such prospective tenant for space in the Property was actually entered into. Further, Manager shall not be entitled to a Leasing Commission if, at the termination of the previous property management agreement or listing agreement, as the case may be, respecting the Property, Owner or Owner's leasing agent was in bona fide active negotiations and, within

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ninety (90) days after the effective date of such termination, a lease with such prospective tenant for space in the Property was actually entered into. Notwithstanding the foregoing, no renewal commission shall be due by reason of any tenant's exercise, after the effective date of termination of this Agreement, of a renewal option.

(x) Sale of Property. Manager shall not be entitled to a commission or other compensation on account of any sale of the Property any part thereof or any interest therein (i) to any tenant of space in the Property, whether or not such tenant was procured by Manager or (ii) to any person or other entity with whom Manager has in any way negotiated or to whom Manager has shown the Property as a prospective tenant of space in or prospective purchaser of the Property, unless Manager and Owner shall have theretofore entered into a written agreement with respect to the amount, if any, of brokerage commission to be paid by Owner to Manager upon sale of the Property, or of any part thereof or any interest therein.

(xi) Cancellation Provision In leases containing a cancellation privilege on the part of the tenant, Owner shall pay to Manager a leasing commission in accordance with the provision of Section 4(c)(1) up to the date when cancellation could first occur, and, in the event of cancellation, no further Leasing Commission will be due, unless under the terms of such cancellation privilege, the tenant is obliged to pay the leasing commission that would be due but for such termination. In such event, Owner shall pay Manager a leasing commission with respect to the entire term of such lease as if it were not so cancelable. If the tenant does not exercise the cancellation privilege and remains as a tenant in the Property beyond the date for cancellation, Owner shall pay the remainder of the Leasing Commission.

5. Bank Account. Manager shall establish and Owner shall cooperate fully in establishing a bank account, of a kind and in a bank approved in writing by Owner, into which all funds collected by Manager under this Agreement shall, without exception, be deposited by Manager (the "Bank Account"). Unless and to the extent required otherwise by any loan document encumbering the Property, the Bank Account shall be in Owner's name. Manager and Owner shall be authorized to deposit and withdraw monies from the Bank Account in accordance with this Agreement. Owner and Manager shall endeavor to maintain in the Bank Account sufficient funds to permit the proper and timely performance by Manager of its obligations under this Agreement. Unless and to the extent required otherwise by any loan document encumbering the Property, Owner shall have the right to all or any portion of the Bank Account at any time. If the Bank Account has insufficient funds to permit Manager's proper and timely performance, Manager shall notify Owner of the same at least as soon as practical prior to the need for such funds. Manager shall not be obligated to make any advance to or for the account of Owner or to pay any sums except out of funds held in the Bank Account. Manager shall not be obliged to incur any liability or obligation for the account of Owner without assurance that the necessary funds for the discharge thereof will be provided by Owner. Unless and to the extent required otherwise by any loan document encumbering the Property, upon termination of this Agreement, all funds remaining in the Bank Account shall belong to Owner.

6. Bonds. Manager and all employees and other personnel of Manager who handle or who are responsible for handling Owner's monies shall, without expense to Owner, be bonded in favor of Owner by a fidelity bond, in form acceptable to Owner, in an amount of not less than One Million Dollars (\$1,000,000.00), and by a bonding company acceptable to Owner, in its sole discretion. A

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copy of such fidelity bond shall be furnished to Owner. Such bond shall be maintained in full force and effect during the continuance of this Agreement, and shall provide that same may not be modified or canceled except upon not less than thirty (30) days' prior written notice to Owner. In the event any such bond is canceled, Manager shall provide Owner with a replacement bond which meets the foregoing requirements prior to the expiration of the bond which has been so canceled.

7. Hold Harmless. Each party shall indemnify and save the other harmless from any and all claims, liability and incidental costs, fees and expenses (including court costs, reasonable attorneys' fees, penalties, and amounts paid by such indemnified party in settlement of any judgment or claims) arising out of or in any manner connected with any criminal acts of, with any willful, wanton or grossly negligent conduct of the indemnifying party's duties hereunder by such indemnifying party, its employees or associates, and from injuries suffered by any person or to any property (other than the Property) in connection with such criminal, willful, wanton or grossly negligent conduct.

8. Representations, Warranties and Covenants of Manager.

(a) Manager hereby warrants and represents that Manager or its affiliate performing management or brokerage services is a duly licensed real estate broker under the laws of the State of Illinois and has full power and authority to enter into this Agreement and carry out its obligations under this Agreement.

(b) During the term of this Agreement, Manager shall comply with all laws applicable to the lease of real property, including those which prohibit discrimination on the basis of race, color, religion, sex, national origin, handicap or age, and shall conduct itself within the highest standard of ethical conduct. Manager shall be loyal to Owner, protect Owner's interest and preserve Owner's confidences except to the extent that applicable law limits such duties of Manager to Owner.

(c) Manager hereby irrevocably waives and disclaims and agrees not to take any actions to enforce, any right that Manager may have or hereafter have to a lien on the Gross Collections or any amounts from time to time deposited in the Bank Account or on any of the proceeds thereof.

9. Use and Maintenance of Premises. Manager agrees not knowingly to permit the use of the Property or any part thereof for any purpose that might void any policy of insurance held by Owner or Manager, or that might render any loss thereunder uncollectible, or that would be in violation of any law, regulation or other restriction. Manager shall manage, maintain and operate the Property according to the highest standards achievable consistent with the expressed plan of Owner. Except as otherwise provided in this Agreement, Manager shall exercise diligent efforts to secure full compliance by the tenants with the terms and conditions of their respective leases. To such end, Manager shall ensure that all tenants are informed with respect to such rules, regulations and notices as Owner shall from time to time require Manager to promulgate.

10. Termination.

(a) During the term of this Agreement, Owner may terminate the term of this Agreement at the time of transfer of title to the Property to a third party if Owner has entered into an agreement for the sale of the Property. During any renewal term of this Agreement, either

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party may terminate the term of this Agreement for any reason, by giving to the other party at least thirty (30) days' prior written notice thereof. Such notice shall specify the effective date of termination.

(b) Notwithstanding Section 10(a) above, (i) if Manager shall default in the performance of any of Manager's obligations performable by the payment of money under this Agreement and such default shall continue for ten (10) days after written notice from Owner to Manager designating such default, or (ii) if Manager shall default in the performance of any of Manager's obligations performable without the payment of money and such default should continue for thirty (30) days after written notice from Owner to Manager designating such default or if such default cannot reasonably be cured within such thirty (30) day period, if Manager fails to commence such cure within such thirty (30) day period and diligently thereafter pursue it to completion, or (iii) if Manager shall make any assignment for the benefit of creditors, or (iv) if Manager shall be insolvent or otherwise shall fail to pay Manager's debts as they become due, or (v) there shall be filed by or against Manager any petition for adjudication as a bankrupt, or for reorganization, or for any arrangement, or for any relief under the Bankruptcy Act or under any other federal or state insolvency act not dismissed within ninety (90) days following filing, or (vi) if Manager shall engage in criminal misconduct, willful and wanton misconduct, or commit intentional fraud that results in a substantial loss to the Property or to Owner, then, and in any such event, Owner may terminate the term of this Agreement by written notice to Manager given at any time thereafter while such default or other event shall be continuing. In such event the term of this Agreement shall terminate upon the giving of such notice (unless such notice shall specify that such termination shall be effective at a later date, in which event the agency created by this Agreement shall terminate upon the later date so specified). Manager shall be liable to Owner for all out-of-pocket expenses incurred by Owner on account of such termination.

(c) Notwithstanding the termination of the term of this Agreement under this Section 10, Manager shall be liable for and shall be obligated to perform the duties or obligations of Manager under this Agreement up to and including the effective date of termination and shall be paid the Management Fee for the period ending on the date of termination. Upon any such termination, Manager shall forthwith (i) surrender and deliver up to Owner the Property and all rents, security and other deposits, and income of the Property and other funds of Owner in Manager's possession, in the Bank Account or in any bank account maintained by Manager, or otherwise under Manager's control, (ii) deliver to Owner, as received, any funds due Owner under this Agreement but received after such termination, (iii) deliver to Owner all materials and supplies, keys, leases, contracts and documents, and such other accounting, paper, correspondence, files and records pertaining to the Property or to this Agreement as Owner at Owner's expense shall request, (iv) assign to Owner, or to any one designated by Owner, such existing contracts relating to the operation and maintenance of the Property as Owner at Owner's expense shall require, (v) provide Owner with a list of all of Manager's prospective tenants, and (vi) furnish to Owner, or to anyone designated by Owner, all such information, and take all such action as Owner shall require in order to effectuate a professional, orderly and systematic ending of Manager's duties and activities hereunder. Within ten (10) days after the effective date of any such termination, Manager shall deliver to Owner a Monthly Report for the period since the last Monthly Report. Within sixty (60) days after the effective date of any such termination, Manager shall deliver to Owner the Annual Report for the Fiscal Year or portion thereof ending on the effective date of termination.

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(d) Unless Owner terminates the term of this Agreement by reason of Manager's default, Owner shall pay to Manager all sums due Manager under this Agreement up to the effective termination date.

11. Notices. All notices required or permitted by any party under this Agreement shall be served upon any party by (a) personal delivery, (b) by United States mail, postage prepaid, by registered or certified mail, return receipt requested, or (c) by overnight courier, addressed to the respective parties at their respective addresses as set forth below:

To Owner: Prime Group Realty, L.P.
77 Wacker Drive
Chicago, IL 60601
Attention: President

with a copy to: Prime Group Realty, L.P.
77 Wacker Drive, Suite 3900
Chicago, IL 60601
Attention: General Counsel

with a copy to: CTR, an Ohio general partnership
275 East Broad Street
Columbus, Ohio 43215
Attention: Manager, Real Estate
Telephone: 614-227-7800

To Manager: Prime Group Realty, L.P.
77 Wacker Drive, Suite 3900
Chicago, IL 60601
Attention: President

Delivery shall be deemed complete on the earlier of actual receipt, duly receipted for, if personally delivered, or if delivery is refused, or two (2) postal delivery days after mailing, or one (1) business day after deposit with an overnight courier. The addresses to which notices and demands shall be delivered or sent may be changed from time to time, only by written notice served as provided above by any party to the other parties.

12. No Joint Venture. Nothing herein shall be deemed or construed to create any partnership, joint venture or other form of joint enterprise between the parties hereto.

13. Agreement Not Assignable. This Agreement is personal in nature, and neither party may, without the express prior written consent of the other party, assign or transfer its rights hereunder, or permit any assignee or transferee to assume its obligations hereunder, except to Prime Group Realty Services, Inc., a Delaware corporation, or an affiliate (an "Affiliate") controlled, controlling or under common control with such party. Without intending to limit the foregoing, Manager is expressly prohibited from appointing sub-agents that are not Affiliates without the express prior written consent of Owner.

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14. Entire Agreement and Binding Effect. This Agreement shall constitute the entire agreement between the parties hereto. No modification or amendment thereof shall be effective unless made by supplemental agreement in writing, executed by both of the parties hereto. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and, to the extent assignment does not violate the provisions of Section 13 hereof, upon their respective successors and assigns.

15. Governing Law. This Agreement is made under and shall be governed by the laws of the State of Illinois. Any court of competent jurisdiction within the State of Illinois shall be the proper forum for bringing an action to enforce or construe the provisions of this Agreement. If any court of competent jurisdiction is unable to construe any provision of this Agreement or holds any part thereof to be invalid, such holding shall in no way affect the validity of the remainder of this Agreement.

16. Exculpation. (a) One of the members of Owner is OTR, an Ohio general partnership ("OTR"), acting as the duly authorized nominee of the State Teachers Retirement System of Ohio ("STRS"). In consideration for entering into this Agreement, Manager hereby waives any rights to bring a cause of action against the individuals acting on behalf of OTR or STRS (except for any cause of action based upon lack of authority or fraud), and all persons dealing with OTR or Owner must look solely to Owner's assets for the enforcement of any claim against Owner, and the obligations hereunder are not binding upon, nor shall resort be had to the private property of any of, the trustees, officers, directors, employees or agents of Owner, OTR or STRS.

(b) This agreement is executed by a officer of Manager not individually, but solely on behalf of Manager. In consideration for entering into this Agreement, Owner hereby waives any rights to bring a cause of action against the individual executing this Agreement on behalf of Manager (except for any cause of action based upon lack of authority or fraud), and all persons dealing with Manager must look solely to Manager's assets for the enforcement of any claim against Manager, and the obligations hereunder are not binding upon, nor shall resort be had to the private property of any of, the trustees, officers, directors, employees or agents of Manager.

17. Preemption. Manager and Owner acknowledge and agree that Manager is familiar with the terms of the Operating Agreement (the "Operating Agreement") of Owner by and between 77 West Wacker Limited Partnership ("77 WWLP") and OTR dated as of September 27, 1999. Manager shall not act on behalf of Owner in any way that would constitute a "Major Decision" under Section 7.3 of the Operating Agreement unless both of OTR and PGRLP shall have approved such act in writing in advance. OTR and PGRLP shall each be deemed to be a third party beneficiary of this Agreement.

UNOFFICIAL COPY

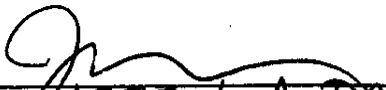
IN WITNESS WHEREOF, Owner and Manager have each caused their duly authorized representations to execute this Agreement as of the day and year first written above.

OWNER

77 WEST WACKER DRIVE, L.L.C., a Delaware limited liability company

By: 77 West Wacker Limited Partnership, an Illinois limited partnership, its member


By: Prime Group Realty Trust, a Maryland real estate investment trust, its managing general partner

By: 
Name: JEFFREY A. PATTERSON
Title: EXEC. V.P.

MANAGER

PRIME GROUP REALTY L.P., a Delaware limited partnership

Prime Group Realty Trust, a Maryland real estate investment trust, its managing general partner

By: 
Name: JEFFREY A. PATTERSON
Title: EXEC. V.P.

OTR77W5.MLA
September 30, 1999
2:22PM