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Doc#: 0335844002
Eugene "Gene" Moore Fee: \$70.50
Cook County Recorder of Deeds
Date: 12/24/2003 08:25 AM Pg: 1 of 24

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08-08-403-021

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MORTGAGE SECURITY AGREEMENT AND FIXTURE FILING

This Mortgage, Security Agreement and Fixture Filing (this "Mortgage") is executed as of October 8, 2003, by HQ Global Workplaces, Inc., a Delaware corporation ("Mortgagor"), whose address for notice hereunder is 15305 Dallas Parkway, Suite 1400, Addison, Texas 75001, for the benefit of BNP Paribas, individually and as Administrative Agent and Collateral Agent for the Secured Parties (as defined in the Credit Agreement (hereinafter defined)) and the L/C Secured Parties (as defined in the Credit Agreement) ("Mortgagee"), whose address for notice is 787 Seventh, New York, New York 10013.

I. RECITALS

WHEREAS, Mortgagor is the owner and holder of the lessee's interest in that certain lease dated March 16, 1982 the present lessor under which lease is Great Lakes REIT, LP, and the present lessee under which lease is the Mortgagor (the "Master Lease"), with respect to Suite 1200 (the "Premises") in that certain building located on the real estate located at 1600 Golf Road, Corporate Center, Rolling Meadows, Illinois 60008, in the County of COOK and State of Illinois (the "State"), and more fully described in Exhibit A attached hereto, which leased Premises forms a portion of the Property described below;

WHEREAS, the lessor's interest in the Master Lease and the property described in Exhibit A is currently held by Great Lakes REIT, LP;

WHEREAS, pursuant to the Second Amended Joint Plan of Reorganization of HQ Global Holdings Inc., HQ Global Workplaces, Inc. and its Subsidiaries dated July 18, 2003, as modified submitted by HQ Global Holdings Inc., HQ Global Workplaces, Inc. and its Subsidiaries and the United States Bankruptcy Court, District of Delaware (the "Court"), Case No. 02-10760 (MFW). In Re: HQ Global Holdings, Inc., a Delaware Corporation, et al, Debtors

**THIS MORTGAGE IS PURSUANT TO OR ESSENTIAL TO
CONFIRMATION OF A CONFIRMED PLAN OF BANKRUPTCY
UNDER SECTION 1129 OF THE UNITED STATES BANKRUPTCY
COURT AND AS SUCH IS EXEMPT FROM DOCUMENTARY STAMP
TAX AND INTANGIBLES TAX PURSUANT TO 11 USC 1146(C)**

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and confirmed by the Court pursuant to Findings of Fact, Conclusions of Law and Order Confirming the Second Amended Joint Plan of Reorganization of HQ Global Holdings, Inc. and its Debtor Subsidiaries, as modified. HQ Global Holdings Inc., a Delaware corporation ("Holdings"), Mortgagor, certain of its Subsidiaries, (such Subsidiaries, together with Holdings and Mortgagor, the "Borrower") entered into, inter alia, (i) that certain Credit Agreement dated October 8, 2003 by and among Mortgagor, as Borrower, HQ Global Holdings, Inc. and the Lenders and Issuers party thereto and BNP Paribas, as Administrative Agent and Collateral Agent (as the same may be amended, restated, modified or otherwise supplemented and in effect from time to time, hereinafter the "Credit Agreement"), under which the Secured Parties agreed to make available to Borrower certain loans and other financial accommodations which loans and financial accommodations are in the form of revolving credit loans to Borrower and letters of credit for the account of Borrower, all in the aggregate principal amount not to exceed at any time \$20,000,000 (the "Loan") and (ii) that certain Subordinated Secured Letter of Credit Facility dated October 8, 2003 by and among Mortgagor, as Borrower, HQ Global Holdings, Inc. and the Lenders and Issuers party thereto and BNP Paribas, as Administrative Agent and Collateral Agent (as the same may be amended, restated, modified or otherwise supplemented and in effect from time to time, hereinafter the "Letter of Credit Facility") under which the L/C Secured Parties have made available a letter of credit facility in an amount not to exceed \$12,441,409.60;

WHEREAS, the Mortgagor is required to grant to the Administrative Agent, on behalf of the Secured Parties, a security interest in and a first mortgage lien upon the Mortgaged Property (as hereinafter defined), subject to the Permitted Liens (as hereinafter defined), to secure all of Mortgagor's obligations under the Credit Agreement, this Mortgage and the other Loan Documents; and

WHEREAS, the Mortgagor is required to grant to the Administrative Agent, on behalf of the L/C Secured Parties, a security interest in and a mortgage lien upon the Mortgaged Property (as hereinafter defined), subject to the Permitted Liens (as hereinafter defined) and to the lien of the Secured Lenders, to secure all of Mortgagor's obligations under the Letter of Credit Facility, this Mortgage and the other Letter of Credit Facility Documents.

ARTICLE 1 DEFINITIONS

Section 1.1 **Definitions**. As used herein, the following terms shall have the following meanings (all capitalized terms used herein but not defined herein shall have the meanings ascribed to them in the Credit Agreement):

(a) **"Mortgaged Property"**: (1) Mortgagor's leasehold estate in the real property described in Exhibit A, together with any greater estate therein as hereafter may be acquired by Mortgagor (the "Land"), (2) all of Mortgagor's right, title, interest and privileges in, to and under and otherwise by virtue of the Master Lease (the "Leasehold Estate"), (3) Mortgagor's leasehold estate in all buildings, structures and other improvements, now or at any time situated, placed or constructed upon the Land, together with any greater estate therein as hereafter may be acquired by Mortgagor (the "Improvements"), (4) all materials, supplies, equipment, apparatus and other items of personal property now owned or hereafter acquired by

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Mortgagor and now or hereafter attached to, installed in or used in connection with any of the Improvements or the Land, and water, gas, electrical, storm and sanitary sewer facilities and all other utilities whether or not situated in easements (the "Fixtures"), (5) all right, title and interest of Mortgagor in and to all goods, accounts, general intangibles, instruments, documents, chattel paper and all other personal property of any kind or character, including such items of personal property as defined in the UCC, now owned or hereafter acquired by Mortgagor and now or hereafter affixed to, placed upon, used in connection with, arising from or otherwise related to the Land and Improvements or which may be used in or relating to the planning, development, financing or operation of the Mortgaged Property, including, without limitation, furniture, furnishings, equipment, machinery, money, insurance proceeds, accounts, contract rights, trademarks, goodwill, chattel paper, documents, trade names, licenses and/or franchise agreements, rights of Mortgagor under leases of Fixtures or other personal property or equipment, inventory, all refundable, returnable or reimbursable fees, deposits or other funds or evidences of credit or indebtedness deposited by or on behalf of Mortgagor with any governmental authorities, boards, corporations, providers of utility services, public or private, including specifically, but without limitation, all refundable, returnable or reimbursable tap fees, utility deposits, commitment fees and development costs (the "Personalty"), (6) all reserves, escrows or impounds required under the Credit Agreement and all deposit accounts maintained by Mortgagor with respect to the Mortgaged Property, (7) all plans, specifications, shop drawings and other technical descriptions prepared for construction, repair or alteration of the Improvements, and all amendments and modifications thereof (the "Plans"), (8) all leases, subleases, licenses, concessions, occupancy agreements or other agreements (written or oral, now or at any time in effect) which grant a possessory interest in, or the right to use, all or any part of the Mortgaged Property, together with all related security and other deposits (the "Leases"), (9) all of the rents, revenues, income, proceeds, profits, security and other types of deposits, and other benefits paid or payable by parties to the Leases other than Mortgagor for using, leasing, licensing, possessing, operating from, selling or otherwise enjoying the Mortgaged Property (the "Rents"), (10) all other agreements, such as construction contracts, architects' agreements, engineers' contracts, utility contracts, maintenance agreements, management agreements, service contracts, permits, licenses, certificates and entitlements in any way relating to the development, construction, use, occupancy, operation, maintenance, enjoyment, acquisition or ownership of the Mortgaged Property (the "Property Agreements"), (11) all rights, privileges, tenements, hereditaments, rights-of-way, easements, appendages and appurtenances appertaining to the foregoing, and all right, title and interest, if any, of Mortgagor in and to any streets, ways, alleys, strips or gores of land adjoining the Land or any part thereof, (12) all accessions, replacements and substitutions for any of the foregoing and all proceeds thereof, (13) all insurance policies, unearned premiums therefor and proceeds from such policies covering any of the above property now or hereafter acquired by Mortgagor, (14) all mineral, water, oil and gas rights now or hereafter acquired and relating to all or any part of the Mortgaged Property, and (15) all of Mortgagor's right, title and interest in and to any awards, remunerations, reimbursements, settlements or compensation heretofore made or hereafter to be made by any governmental authority pertaining to the Land, the Leasehold Estate, Improvements, Fixtures or Personalty. As used in this Mortgage, the term "Mortgaged Property" shall mean all or, where the context permits or requires, any portion of the above or any interest therein.

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(b) **"Permitted Encumbrances"**: (i) all matters affecting the title to fee or other interest in the Land held by Landlord under the Master Lease that the Master Lease is subordinate to; (ii) such easements, restrictions, security interests and other exceptions to title to the Mortgaged Property, together with the liens and security interests in favor of Mortgagee created by the Loan Documents and the Letter of Credit Facility Documents; and (iii) as to the Personalty included in the Mortgaged Property, such security interests currently held by third parties and with respect to Personalty hereafter acquired, security interests resulting from purchase money financing, if any; none of which items set forth in clauses (ii) or (iii), individually or in the aggregate, materially interferes with the benefits intended to be provided by this Mortgage, materially and adversely affects the value of the Mortgaged Property, impairs the use or operations of the Mortgaged Property, or impairs Mortgagor's ability to pay its obligations in a timely manner.

(c) **"UCC"**: The Uniform Commercial Code of the state where the Land is located or, if the creation, perfection and enforcement of any security interest herein granted is governed by the laws of a state other than the state where the Land is located, then, as to the matter in question, the Uniform Commercial Code in effect in that state.

ARTICLE 2 GRANT

Section 2.1 **Grant**. To secure the full and timely payment and performance of the Secured Obligations (as defined in the Credit Agreement) and the L/C Secured Obligations (as defined in the Credit Agreement), Mortgagor MORTGAGES, GRANTS, BARGAINS, SELLS, ASSIGNS and CONVEYS, to Mortgagee the Mortgaged Property, subject, however, to the Permitted Encumbrances, TO HAVE AND TO HOLD the Mortgaged Property to Mortgagee and Mortgagor does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND the title to the Mortgaged Property unto Mortgagee, subject only to the Permitted Encumbrances.

ARTICLE 3 WARRANTIES, REPRESENTATIONS AND COVENANTS

Mortgagor warrants, represents and covenants to Mortgagee as follows:

Section 3.1 **Title to Mortgaged Property and Lien of this Instrument**. Mortgagor owns the Mortgaged Property free and clear of any liens, claims or interests, except the Permitted Encumbrances. This Mortgage creates valid, enforceable first priority liens and security interests against the Mortgaged Property, subject to the Permitted Encumbrances.

Section 3.2 **First Lien Status**. Mortgagor shall preserve and protect the first lien and security interest status of this Mortgage and the other Loan Documents, subject to the Permitted Encumbrances. If any lien or security interest other than the Permitted Encumbrances is asserted against the Mortgaged Property, Mortgagor shall promptly, and at its expense, (a) give Mortgagee a detailed written notice of such lien or security interest (including origin, amount and other terms), and (b) pay the underlying claim in full or take such other action so as to cause it to be released or contest the same in compliance with the requirements of the Credit

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Agreement (including the requirement of providing a bond or other security satisfactory to Mortgagee).

Section 3.3 **Payment and Performance.** Subject to the applicable grace periods, if any, Mortgagor shall pay the Indebtedness when due under the Loan Documents and shall perform the Obligations in full when they are required to be performed.

Section 3.4 **Intentionally Omitted.**

Section 3.5 **Maintenance of Rights of Way, Easements and Licenses.** Mortgagor shall maintain all rights of way, easements, grants, privileges, licenses, certificates, permits, entitlements and franchises necessary for the use of the Mortgaged Property and will not, without the prior consent of Mortgagee, which consent shall not be unreasonably withheld, consent to any public restriction (including any zoning ordinance) or private restriction as to the use of the Mortgaged Property. Mortgagor shall comply with all restrictive covenants affecting the Mortgaged Property, and all zoning ordinances and other public or private restrictions as to the use of the Mortgaged Property.

Section 3.6 **Inspection.** Mortgagor shall permit Mortgagee, and Mortgagee's agents, representatives and employees, upon reasonable prior notice to Mortgagor, to inspect the Mortgaged Property and conduct such environmental and engineering studies as Mortgagee may require, provided that such inspections and studies shall not materially interfere with the use and operation of the Mortgaged Property and subject to the rights of tenants in possession.

Section 3.7 **Leasehold Mortgage Provisions.**

- (a) Mortgagor hereby covenants, warrants and represents as follows:
 - (i) the Master Lease is in full force and effect;
 - (ii) all rent, additional rent and/or other charges reserved in or payable under the Master Lease have been paid to the extent that they are due to the date hereof;
 - (iii) Mortgagor enjoys the quiet and peaceful possession of the Leasehold Estate;
 - (iv) Mortgagor has not delivered or received any notices of default under the Master Lease which remain uncured and, to Mortgagor's knowledge, Mortgagor is not in default under any of the terms of the Master Lease;
 - (v) the granting of this Mortgage does not violate the terms of the Master Lease nor is the consent of the lessor of the Master Lease required to be obtained in connection with the granting of this Mortgage unless such consent has been obtained;
 - (vi) to Mortgagor's knowledge, the lessor under the Master Lease is not in default under any of the terms of the Master Lease on its part to be observed or performed;

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(vii) Mortgagor has delivered to Mortgagee a true, accurate and complete copy of the Master Lease;

(viii) Mortgagor promptly shall pay the rent and all other sums and charges mentioned in, and payable under, the Master Lease prior to same becoming delinquent;

(ix) Mortgagor promptly shall perform and observe all of the terms, covenants and conditions required to be performed and observed by the lessee under the Master Lease, the breach of which could permit any party to the Master Lease to validly terminate the Master Lease (including, but without limiting the generality of the foregoing, any payment obligations), shall do all things necessary to preserve and to keep unimpaired its rights under the Master Lease, shall not waive, excuse or discharge any of the obligations of the lessor under the Master Lease without Mortgagee's prior written consent in each instance, which consent shall not be unreasonably withheld, and shall diligently and continuously enforce the obligations of the lessor under the Master Lease;

(x) Mortgagor shall not do, permit or suffer any event or omission as a result of which there could occur a default under the Master Lease would remain uncured after the applicable grace period or any event which, with the giving of notice or the passage of time, or both, would constitute a default under the Master Lease which could permit any party to the Master Lease to validly terminate the Master Lease (including, but without limiting the generality of the foregoing, a default in any payment obligation); provided it will not be a default under this Mortgage if the landlord terminates the Master Lease pursuant to any termination rights set forth therein that are not based on the Mortgagor's default thereunder;

(xi) Mortgagor shall not cancel, terminate, surrender, modify or amend or in any way alter or permit the alteration of any of the provisions of the Master Lease or agree to any termination, amendment, modification or surrender of the Master Lease without Mortgagee's prior written consent in each instance, which consent shall not be unreasonably withheld. Mortgagor hereby assigns to Mortgagee, as further security for the payment of the Indebtedness and for the performance and observance of the terms, covenants and conditions of the Loan Documents, all of the rights, privileges and prerogatives of Mortgagor to surrender the Master Lease or to terminate, cancel, modify, change, supplement, alter or amend the Master Lease, and any such surrender of the Master Lease or termination, cancellation, change, supplement, alteration or amendment of the Master Lease, without the prior written consent of Mortgagee, which consent shall not be unreasonably withheld, shall be void and of no force and effect;

(xii) Mortgagor will promptly notify Mortgagee of any material defaults by any party under the Master Lease and shall deliver to Mortgagee copies of any notice of default by any party under the Master Lease, or of any notice from the lessor under the Lease of its intention to terminate the Master Lease or to re-enter and take possession of the Mortgaged Property, immediately upon delivery or receipt of such notice, as the case may be;

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(xiii) Mortgagor shall promptly furnish to Mortgagee copies of such information and evidence as Mortgagee may request concerning Mortgagor's due observance, performance and compliance with the terms, covenants and conditions of the Master Lease;

(xiv) Mortgagor shall not consent to the subordination of the Master Lease to any mortgages of the fee interest in the Land; provided, if the Master Lease obligates Mortgagor to deliver such subordination, Mortgagee's consent will not be required.

(xv) Any default by Mortgagor under the Master Lease not cured within the applicable grace period shall constitute an Event of Default; and

(xvi) Mortgagor, at its sole cost and expense, shall execute and deliver to Mortgagee, within five (5) days after request, such documents, instruments or agreements as may be required to permit Mortgagee to cure any default under the Master Lease not cured within the applicable grace period.

(b) In the event of default by Mortgagor in the performance of any of its obligations under the Master Lease not cured within the applicable grace period, including, but without limiting the generality of the foregoing, any default in the payment of any sums payable thereunder, then, in each and every case, Mortgagee may, at its option, cause the default or defaults to be remedied and otherwise exercise any and all of the rights of Mortgagor thereunder in the name of and on behalf of Mortgagor. Mortgagor shall, on demand, reimburse Mortgagee for all advances made and expenses incurred by Mortgagee in curing any such default (including, without limiting the generality of the foregoing, reasonable attorneys' fees and disbursements), together with interest thereon computed at the rate for loans in default as set forth in the Credit Agreement from the date that such advance is made, to and including the date the same is paid to Mortgagee. All such advances, together with interest thereon, shall be secured by this Mortgage.

(c) Mortgagor shall have the right to exercise any option of Mortgagor to renew or extend the Master Lease pursuant to the terms thereof, and shall give Mortgagee notice of its intention to exercise each and every option, if any, to extend the term of the Master Lease, at least fifteen (15) days prior to the expiration of the time to exercise such option under the terms thereof. If Mortgagor intends to extend the term of the Master Lease, it shall deliver to Mortgagee, with the notice of such decision, a copy of the notice of extension delivered to the lessor thereunder, together with the terms and conditions of such extension. Mortgagor hereby expressly acknowledges and appoints Mortgagee as its attorney-in-fact to exercise, either jointly or individually, any such option in the name of and on behalf of Mortgagor, which power of attorney shall be irrevocable and shall be deemed coupled with an interest.

(d) If the Master Lease obligates the lessor thereunder to deliver an estoppel certificate to Mortgagor, Mortgagor shall obtain and deliver to Mortgagee within twenty (20) days after written demand by Mortgagee or such longer period of time provided in the Master Lease, an estoppel certificate from the lessor under the Master Lease providing the information the lessor is required to provide in an estoppel letter pursuant to the terms of the Master Lease.

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(e) Anything contained herein to the contrary notwithstanding, this Mortgage shall not constitute an assignment of the Master Lease within the meaning of any provision thereof prohibiting its assignment and Mortgagee shall have no liability or obligation thereunder by reason of its acceptance of this Mortgage. Mortgagee shall be liable for the obligations of the lessee arising under the Master Lease for only that period of time which Mortgagee is in possession of the Leasehold Estate or has acquired, by foreclosure or otherwise, and is holding all of Mortgagor's right, title and interest therein.

(f) It is hereby agreed that the fee title and the Leasehold Estate shall not merge but shall always be kept separate and distinct, notwithstanding the union of said estates in either the lessor under the Master Lease, Mortgagor or a third party, whether by purchase or otherwise. If Mortgagor shall acquire fee title to the property leased to Mortgagor, or any other estate, title or interest in the property demised under the Master Lease, or any portion thereof, then, immediately upon Mortgagor's acquisition thereof, this Mortgage automatically shall spread to cover Mortgagor's interest in such leased property on the same terms, covenants and conditions as set forth herein. It is the intention of Mortgagor and Mortgagee that no documents, instruments or agreements shall be necessary to confirm the foregoing spread of this Mortgage to cover Mortgagor's interest in such leased property, as aforesaid, and that such spreader shall occur automatically upon the consummation of Mortgagor's acquisition of such estate, title or interest to such leased property. Notwithstanding the foregoing, Mortgagor shall make, execute, acknowledge and deliver to Mortgagee or so cause to be made, executed, acknowledged and delivered to Mortgagee, in form satisfactory to Mortgagee, all such further or other documents, instruments, agreements or assurances as may be required by Mortgagee to confirm the foregoing spread of this Mortgage to cover Mortgagor's interest in such leased property. Mortgagor shall pay all expenses incurred by Mortgagee in connection with the preparation, execution, acknowledgement, delivery and/or recording of any such documents, including but without limiting the generality of the foregoing, all filing, registration and recording fees and charges, documentary stamps, mortgage taxes, intangible taxes, and reasonable attorneys' fees, costs and disbursements.

(g) If any action or proceeding shall be instituted to evict Mortgagor or to recover possession of the Mortgaged Property or any part thereof or interest therein or any action or proceeding otherwise affecting the Master Lease or this Mortgage shall be instituted, then Mortgagor will, immediately upon service thereof on or to Mortgagor, deliver to Mortgagee a true and complete copy of each petition, summons, complaint, notice of motion, order to show cause and of all other provisions, pleadings, and papers, however designated, served in any such action or proceeding.

(h) Mortgagor shall, within ten (10) days after written demand therefor from Mortgagee, deliver to Mortgagee proof of payment of all items that are required to be paid by Mortgagor under the Master Lease, including, without limitation, rent and other charges required to be paid under the Master Lease.

(i) Upon reasonable notice from Mortgagee, Mortgagor shall request for delivery to Mortgagee (i) a non-disturbance agreement from the holder of each mortgage encumbering the fee estate to the Mortgaged Property and (ii) an estoppel certificate from the

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lessor under the Master Lease with respect to the Master Lease; provided it shall not be an Event of Default if, after reasonable efforts, it is not able to obtain same.

(j) If the Master Lease shall be terminated prior to the natural expiration of its term, and if, pursuant to any provision of the Master Lease, Mortgagee or its designee shall acquire from the lessor under such Master Lease a new lease of the Mortgaged Property demised thereunder and the improvements located thereon, Mortgagor shall have no right, title or interest in or to such new lease or the leasehold estate created thereby, or renewal privileges therein contained.

(k) Mortgagor agrees to notify Mortgagee within ten (10) days after the filing of a petition for relief by or against the Mortgagor under section 301, 302, or 303 of title 11 of the United States Code (as such statute or any such successor statute may now or hereafter be in effect, the "Bankruptcy Code"). In addition to the other remedies provided to Mortgagee herein, Mortgagee shall have the right, as the assignee of Mortgagor, to assume or to compel timely assumption of the Master Lease in the Bankruptcy Case. Mortgagor shall be responsible for all costs required in connection with any such assumption of the Master Lease, including any amounts required to be spent to cure defaults thereunder, and Mortgagor shall, on demand, reimburse Mortgagee for all advances made and expenses incurred in curing any of such default (including, without limitation, reasonable attorneys' fees and reasonable appellate attorneys' fees, paralegal fees, court costs through all appellate level and disbursements), together with interest thereon computed at the rate for Loans in default as set forth in the Credit Agreement from the date that such advance is made to and including the date the same is paid to Mortgagee.

(l) Mortgagor hereby irrevocably assigns to Mortgagee its right to make the election permitted by section 365(h) of the Bankruptcy Code and Mortgagor hereby appoints Mortgagee its attorney-in-fact for purposes of making such election. Mortgagor shall notify Mortgagee of the existence of any case under the Bankruptcy Code involving the lessor under the Master Lease immediately after Mortgagor becomes aware thereof, but in no event later than five (5) days thereafter. Mortgagor shall file a notice of appearance in any such case involving the lessor under the Master Lease, which notice of appearance shall specifically state that notices in such case should also be provided to Mortgagee. Mortgagor shall provide Mortgagee with a copy of any pleadings or other notices received in such case.

Section 3.8 Insurance.

(a) Mortgagor shall at its sole cost and expense insure the Mortgaged Property against all loss or damage by fire, vandalism, burglary, theft, mysterious disappearance, malicious mischief, riot, earthquake and other hazards insured against by a standard form of extended coverage insurance and such other insurance (including, but not limited to, flood, war, loss of rents and business interruption for one year) as may be specified by Mortgagee from time to time, in amounts and with insurers acceptable to Mortgagee; to the extent applicable, Mortgagor shall cause each insurance policy issued in connection therewith to be in an amount equal to 100% of the full replacement cost of all of the Improvements and Mortgagor's contents therein, and in an amount sufficient to prevent Mortgagee from becoming a co-insurer in any loss under the policy; and Mortgagor shall provide, and cause the insurer issuing such policy to certify to Mortgagee, that (i) losses will be adjusted with Mortgagee's approval, (ii) loss

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payments will be payable to Mortgagee alone, (iii) the interest of Mortgagee shall be insured regardless of any breach or violation by Mortgagor of any warranties, declarations or conditions contained in such policy, and (iv) if such insurance not be renewed, be cancelled or materially changed for any reason whatsoever such insurer will promptly notify Mortgagee and such non-renewal, cancellation or change shall not be effective as to Mortgagee for 30 days after receipt by Mortgagee of such notice; deliver to Mortgagee copies of each such policy upon the execution hereof, and copies of each renewal policy not less than 30 days prior to the expiration of the original policy or preceding renewal policy (as the case may be); and deliver to Mortgagee receipts or other evidence that the premiums thereon have been paid. The form and content of all insurance policies required under this Mortgage and the insurance companies issuing such insurance policies shall be reasonably satisfactory to Mortgagee. In the event of loss, the Mortgagor will give immediate written notice to the Mortgagee and the Mortgagee may make proof of loss if not made promptly by the Mortgagor. In the event of the foreclosure of this Mortgage or any other transfer of title to the Mortgaged Property in extinguishment of the indebtedness and other sums secured hereby, all right, title and interest of the Mortgagor in and to all insurance policies and renewals thereof then in force shall pass to the purchaser or grantee.

(b) Provided no Event of Default has occurred, Mortgagor is hereby authorized and empowered at its option to adjust or compromise any loss under any insurance policies on the Mortgaged Property (subject to the approval of Mortgagee, which approval Mortgagee will not unreasonably withhold or delay) and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to the Mortgagee alone and not to the Mortgagor and the Mortgagee jointly. After deducting from such insurance proceeds any expenses incurred by the Mortgagee in the collection or handling of such funds, provided no Event of Default has occurred, the Mortgagee shall apply the net proceeds toward restoring the Mortgaged Property, or at the option of the Mortgagee such sums either wholly or in part may be paid over to the Mortgagor to be used to repair such improvements or to build new improvements in their place or for any other purpose or object satisfactory to the Mortgagee, without affecting the lien of this Mortgage for the full amount secured hereby before such payment took place. Mortgagee shall not be responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure. The foregoing is all subject to Section 3.12(b) hereof.

(c) In the event the Mortgagee permits the insurance proceeds to be used for restoration and repair of the Mortgaged Property, such proceeds shall be made available, from time to time, upon the Mortgagee being furnished with satisfactory evidence of the estimated cost of completion of the repair or restoration of the Mortgaged Property and with such architect's certificates, waivers of lien, contractor's sworn statements and other reasonable evidence of cost of payments and with all plans and specifications for such rebuilding or restoration to be submitted to and approved by the Mortgagee if, pursuant to the Master Lease, plans must be submitted for approval to the lessor thereunder. No payment made prior to the final completion of the work shall exceed ninety percent of the value of the work performed, from time to time, and at all times the undisbursed balance of said proceeds shall be at least sufficient to pay for the cost of completion of the work free and clear of all liens. To the extent that the cost of restoration or repair exceeds the amount of the insurance proceeds, as Mortgagee may determine from time to time, Mortgagor shall be solely responsible for and shall pay such

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excess cost prior to the disbursement or any further disbursement by Mortgagee of any insurance proceeds or condemnation award.

(d) The Mortgagee shall at its sole cost and expense carry or cause to be carried workmen's compensation and employer's liability insurance covering all liability in connection with the Mortgaged Property under applicable workmen's compensation laws, and deliver or cause to be delivered to Mortgagee a certificate indicating that the policy or policies evidencing such insurance have been issued.

Section 3.9 Taxes and Other Charges.

(a) Taxes and Assessments. To the extent required under the Master Lease, Mortgagor shall pay promptly when due all taxes, assessments, rates, dues, charges, fees, levies, fines, impositions, liabilities, obligations and encumbrances of every kind whatsoever now or hereafter imposed, levied or assessed upon or against the Mortgaged Property or any part thereof, as well as all income taxes, assessments and other governmental charges levied and imposed by the United States of America or any state, county, municipality or other taxing authority upon or against the Mortgagor or in respect of the Mortgaged Property or any part thereof. Mortgagor shall promptly pay when due any and all taxes, charges, filing, registration and recording fees, excises and levies imposed upon the Mortgagee by reason of its ownership of the Notes, this Mortgage, and any of the other Loan Documents or with respect to its interest therein and any instrument of further assurance, other than income, franchise and doing business taxes, and shall promptly pay when due all stamp taxes and other taxes required to be paid on the Note, the Mortgage, and any other Loan Document. In the event the Mortgagor fails to make such payments or fails to cause such payments to be made when due, then the Mortgagee shall have the right, but not the obligation, to pay the amounts due, and the Mortgagor shall, on demand, reimburse the Mortgagee for said amounts, together with interest thereon at the rate for Loans in default as set forth in the Credit Agreement from the date said amounts are so advanced until the same are paid to the Mortgagee.

Section 3.10 Further Assurances. At any time and from time to time, upon the Mortgagee's request, the Mortgagor shall make, execute and deliver, or cause to be made, executed and delivered, to the Mortgagee and where appropriate shall cause to be recorded or filed, and from time to time thereafter to be re-recorded and refiled at such time and in such offices and places as shall be deemed desirable by the Mortgagee, any and all such further mortgages, instruments of further assurance, certificates and other documents as the Mortgagee may consider necessary or desirable in order to effectuate, complete or perfect, or to continue and preserve the obligations of the Mortgagor under the Note and this Mortgage, and the lien of this Mortgage as a lien upon all of the Mortgaged Property, whether now owned or hereafter acquired by the Mortgagor, subject only to the Permitted Encumbrances, and unto all and every person or persons deriving any estate, right, title or interest under this Mortgage or the power of sale herein contained. Upon any failure by the Mortgagor to do so, the Mortgagee may make, execute, record, file, re-record or refile any and all such mortgages, instruments, certificates and documents for and in the name of the Mortgagor, and the Mortgagor hereby irrevocably appoints the Mortgagee the agent and attorney-in-fact of the Mortgagor to do so, which appointment will terminate upon the satisfaction of record of this Mortgage.

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Section 3.11 **Leasing Matters.** Mortgagor (i) shall perform the obligations which Mortgagor is required to perform under the Leases in the ordinary course of business, consistent with prudent management practices; (ii) shall enforce the obligations to be performed by the tenants in the ordinary course of business, consistent with prudent management practices; (iii) shall not collect any rents for more than 60 days in advance of the time when the same shall become due, except for bona fide security deposits not in excess of an amount equal to two months rent; (iv) shall enter into only those Leases that are consistent with the business plan for the Mortgaged Property as reasonably approved by Lender; (v) except for the Assignment of Leases delivered to Lender, shall not further assign or encumber any Lease; (vi) shall not, except with Lender's prior written consent (which shall not be unreasonably withheld), cancel or accept surrender or termination of any Lease (except in the ordinary course of business, consistent with prudent management practices); (vii) shall not, except with Lender's prior written consent (which shall not be unreasonably withheld), modify or amend any Lease (except for modifications and amendments entered into in the ordinary course of business, consistent with prudent management practices) not affecting the economic terms of the Lease, and any action in violation of clauses (v) and (vi) of this Section 3.13 shall be void at the election of Lender; and (viii) shall, from time to time, within thirty (30) days of request of Lender, furnish to lender a written statement containing the names of all then current lessees of any part of the Mortgaged Property the terms of the respective leases, the spaces occupied and the rentals paid for modifications.

Section 3.12 **Condemnation Awards and Insurance Proceeds.**

(a) **Condemnation Awards.** Mortgagor assigns all awards and compensation for any condemnation or other taking, or any purchase in lieu thereof, to Mortgagee and authorizes Mortgagee to collect and receive such awards and compensation and to give proper receipts and acquittances therefor, subject to the terms of the Credit Agreement.

(b) **Insurance Proceeds.** Mortgagor assigns to Mortgagee all proceeds of any insurance policies insuring against loss or damage to the Mortgaged Property. Mortgagor authorizes Mortgagee to collect and receive such proceeds and authorizes and directs the issuer of each of such insurance policies to make payment for all such losses directly to Mortgagee, instead of to Mortgagor and Mortgagee jointly. Notwithstanding the foregoing or any of the provisions of Section 3.8 hereof, in the event of any insured loss of \$200,000 or less, Mortgagor shall be entitled to collect and receive such proceeds.

ARTICLE 4 **DEFAULT AND FORECLOSURE**

Section 4.1 **Remedies.** If an Event of Default (as defined in the Credit Agreement), Mortgagee may, at Mortgagee's election, exercise any or all of the following rights, remedies and recourses:

(a) **Acceleration.** Declare the Indebtedness to be immediately due and payable, without further notice, presentment, protest, notice of intent to accelerate, notice of acceleration, demand or action of any nature whatsoever (each of which hereby is expressly waived by Mortgagor), whereupon the same shall become immediately due and payable.

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(b) **Entry on Mortgaged Property.** Enter the Mortgaged Property, to the extent permitted by law, and take exclusive possession thereof and of all books, records and accounts relating thereto. If Mortgagor remains in possession of the Mortgaged Property after an Event of Default and without Mortgagee's prior written consent, Mortgagee may invoke any legal remedies to dispossess Mortgagor.

(c) **Operation of Mortgaged Property.** Hold, lease, develop, manage, operate or otherwise use the Mortgaged Property upon such terms and conditions as Mortgagee may deem reasonable under the circumstances (making such repairs, alterations, additions and improvements and taking other actions, from time to time, as Mortgagee deems reasonably necessary or desirable), and apply all Rents and other amounts collected by Mortgagee in connection therewith in accordance with the provisions of Section 4.7 hereof.

(d) **Foreclosure and Sale.** Institute proceedings for the complete foreclosure of this Mortgage, in which case the Mortgaged Property may be sold for cash or credit in one or more parcels. With respect to any notices required or permitted under the UCC, Mortgagor agrees that ten (10) days' prior written notice shall be deemed commercially reasonable. At any such sale by virtue of any judicial proceedings or any other legal right, remedy or recourse, the title to and right of possession of any such property shall pass to the purchaser thereof, and to the fullest extent permitted by law, Mortgagor shall be completely and irrevocably divested of all of its right, title, interest, claim and demand whatsoever, either at law or in equity, in and to the property sold and such sale shall be a perpetual bar both at law and in equity against Mortgagor, and against all other persons claiming or to claim the property sold or any part thereof, by, through or under Mortgagor. Mortgagee may be a purchaser at such sale and if Mortgagee is the highest bidder, may credit the portion of the purchase price that would be distributed to Mortgagee against the Indebtedness in lieu of paying cash.

(e) **Receiver.** Make application to a court of competent jurisdiction for, and obtain from such court as a matter of strict right and without notice to Mortgagor or regard to the adequacy of the Mortgaged Property for the repayment of the Indebtedness, the appointment of a receiver of the Mortgaged Property, and Mortgagor irrevocably consents to such appointment. Any such receiver shall have all the usual powers and duties of receivers in similar cases, including the full power to rent, maintain and otherwise operate the Mortgaged Property upon such terms as may be approved by the court, and shall apply such Rents in accordance with the provisions of Section 4.7 hereof.

(f) **Other.** Exercise all other rights, remedies and recourses granted under the Loan Documents or otherwise available at law or in equity (including an action for specific performance of any covenant contained in the Loan Documents, or a judgment on the Note either before, during or after any proceeding to enforce this Mortgage).

Section 4.2 **Separate Sales.** The Mortgaged Property may be sold in one or more parcels and in such manner and order as Mortgagee in its sole discretion, may elect; the right of sale arising out of any Event of Default shall not be exhausted by any one or more sales.

Section 4.3 **Remedies Cumulative, Concurrent and Nonexclusive.** Mortgagee shall have all rights, remedies and recourses granted in the Loan Documents and available at law or equity (including the UCC), which rights (a) shall be cumulative and concurrent, (b) may be

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pursued separately, successively or concurrently against Mortgagor or others obligated under the Note and the other Loan Documents, or against the Mortgaged Property, or against any one or more of them, at the sole discretion of Mortgagee, (c) may be exercised as often as occasion therefor shall arise, and the exercise or failure to exercise any of them shall not be construed as a waiver or release thereof or of any other right, remedy or recourse, and (d) are intended to be, and shall be, nonexclusive. No action by Mortgagee in the enforcement of any rights, remedies or recourses under the Loan Documents or otherwise at law or equity shall be deemed to cure any Event of Default.

Section 4.4 **Release of and Resort to Collateral.** Mortgagee may release, regardless of consideration and without the necessity for any notice to a consent by the holder of any subordinate lien on the Mortgaged Property, any part of the Mortgaged Property without, as to the remainder, in any way impairing, affecting, subordinating or releasing the lien or security interests created in or evidenced by the Loan Documents or their stature as a first and prior lien and security interest in and to the Mortgaged Property. For payment of the Indebtedness, Mortgagee may resort to any other security in such order and manner as Mortgagee may elect.

Section 4.5 **Waiver of Redemption, Notice and Marshalling of Assets.** To the fullest extent permitted by law, Mortgagor hereby irrevocably and unconditionally waives and releases (a) all benefit that might accrue to Mortgagor by virtue of any present or future statute of limitations or law or judicial decision exempting the Mortgaged Property from attachment, levy or sale on execution or providing for any appraisal, valuation, stay of execution, exemption from civil process, redemption or extension of time for payment, (b) all notices of any Event of Default or of Mortgagee's election to exercise or its actual exercise of any right, remedy or recourse provided for under the Loan Documents, and (c) any right to a marshalling of assets or a sale in inverse order of alienation.

Section 4.6 **Discontinuance of Proceedings.** If Mortgagee shall have proceeded to invoke any right, remedy or recourse permitted under the Loan Documents and shall thereafter elect to discontinue or abandon it for any reason, Mortgagee shall have the unqualified right to do so and, in such an event, Mortgagor and Mortgagee shall be restored to their former positions with respect to the Indebtedness, the Obligations, the Loan Documents, the Mortgaged Property and otherwise, and the rights, remedies, recourses and powers of Mortgagee shall continue as if the right, remedy or recourse had never been invoked, but no such discontinuance or abandonment shall waive any Event of Default which may then exist or the right of Mortgagee thereafter to exercise any right, remedy or recourse under the Loan Documents for such Event of Default.

Section 4.7 **Application of Proceeds.** The proceeds of any sale of, and the Rents and other amounts generated by the holding, leasing, management, operation or other use of the Mortgaged Property, shall be applied by Mortgagee (or the receiver, if one is appointed) in the following order unless otherwise required by applicable law:

(a) to the payment of the costs and expenses of taking possession of the Mortgaged Property and of holding, using, leasing, repairing, improving and selling the same, including, without limitation (1) receiver's fees and expenses, (2) court costs, (3) attorneys' and accountants' fees and expenses, (4) costs of advertisement, and (5) the payment of all ground

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rent, real estate taxes and assessments, except any taxes, assessments or other charges subject to which the Mortgaged Property shall have been sold; and then

(b) in accordance with the provisions of the Credit Agreement.

Section 4.8 **Occupancy After Foreclosure.** The purchaser at any foreclosure sale pursuant to Section 4.1(d) shall become the legal owner of the Mortgaged Property. All occupants of the Mortgaged Property shall, at the option of such purchaser, become tenants of the purchaser at the foreclosure sale and shall deliver possession thereof immediately to the purchaser upon demand. It shall not be necessary for the purchaser at said sale to bring any action for possession of the Mortgaged Property other than the statutory action of forcible detainer in any justice court having jurisdiction over the Mortgaged Property.

Section 4.9 **Additional Advances and Disbursements; Costs of Enforcement.**

(a) If any Event of Default exists, Mortgagee shall have the right, but not the obligation, to cure such Event of Default in the name and on behalf of Mortgagor. All sums advanced and expenses incurred at any time by Mortgagee under this Section 4.9, or otherwise under this Mortgage or any of the other Loan Documents or applicable law, shall bear interest from the date that such sum is advanced or expense incurred, to and including the date of reimbursement, computed at the rate for Loans in default as set forth in the Credit Agreement and all such sums, together with interest thereon, shall be secured by this Mortgage.

(b) Mortgagor shall pay all expenses (including reasonable attorneys' fees and expenses) of or incidental to the perfection and enforcement of this Mortgage and the other Loan Documents, or the enforcement, compromise or settlement of the Indebtedness or any claim under this Mortgage and the other Loan Documents, and for the curing thereof, or for defending or asserting the rights and claims of Mortgagee in respect thereof, by litigation or otherwise.

Section 4.10 **No Mortgagee in Possession.** Neither the enforcement of any of the remedies under Section 3.7 or under this Article 4, the assignment of the Rents and Leases under Article 5, the security interests under Article 6, nor any other remedies afforded to Mortgagee under the Loan Documents, at law or in equity shall cause Mortgagee to be deemed or construed to be a mortgagee in possession of the Mortgaged Property, to obligate Mortgagee to lease the Mortgaged Property or attempt to do so, or to take any action, incur any expense, or perform or discharge any obligation, duty or liability whatsoever under any of the Leases or otherwise.

ARTICLE 5

ASSIGNMENT OF RENTS AND LEASES

Section 5.1 **Assignment.** Mortgagor acknowledges and confirms that it has executed and delivered to Mortgagee an Assignment of Rents and Leases of even date (the "**Assignment of Rents and Leases**"), intending that such instrument create a present, absolute assignment to Mortgagee of the Leases and Rents. Without limiting the intended benefits or the remedies provided under the Assignment of Rents and Leases, Mortgagor hereby assigns to Mortgagee, as further security for the Indebtedness and the Obligations, the Leases and Rents. While any Event of Default exists, Mortgagee shall be entitled to exercise any or all of the remedies provided in the Assignment of Rents and Leases and in Article 4 hereof, including the right to have a

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receiver appointed. If any conflict or inconsistency exists between the assignment of the Rents and the Leases in this Mortgage and the absolute assignment of the Rents and the Leases in the Assignment of Rents and Leases, the terms of the Assignment of Rents and Leases shall control.

Section 5.2 **No Merger of Estates.** So long as any part of the Indebtedness and the Obligations secured hereby remain unpaid and undischarged, the fee and leasehold estates to the Mortgaged Property shall not merge, but shall remain separate and distinct, notwithstanding the union of such estates either in Mortgagor, Mortgagee, any lessee or any third party by purchase or otherwise.

ARTICLE 6 **SECURITY AGREEMENT**

Section 6.1 **Security Interest.** This Mortgage constitutes a "Security Agreement" on personal property within the meaning of the UCC and other applicable law and with respect to the Personalty, Fixtures, Plans, Leases, Rents and Property Agreements. To this end, Mortgagor grants to Mortgagee, a first and prior security interest in the Personalty, Fixtures, Plans, Leases, Rents and Property Agreements and all other Mortgaged Property which is personal property to secure the payment of the Indebtedness and performance of the Obligations, and agrees that Mortgagee shall have all the rights and remedies of a secured party under the UCC with respect to such property. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Personalty, Fixtures, Plans, Leases, Rents and Property Agreements sent to Mortgagor at least ten (10) days prior to any action under the UCC shall constitute reasonable notice to Mortgagor.

Section 6.2 **Financing Statements.** Mortgagor shall execute and deliver to Mortgagee, in form and substance satisfactory to Mortgagee, such financing statements and such further assurances as Mortgagee may, from time to time, reasonably consider necessary to create, perfect and preserve Mortgagee's security interest hereunder and Mortgagee may cause such statements and assurances to be recorded and filed, at such times and places as may be required or permitted by law to so create, perfect and preserve such security interest.

Section 6.3 **Fixture Filing.** This Mortgage shall also constitute a "fixture filing" for the purposes of the UCC against all of the Mortgaged Property which is or is to become fixtures. Information concerning the security interest herein granted may be obtained at the addresses of Debtor (Mortgagor) and Secured Party (Mortgagee) as set forth in the first paragraph of this Mortgage.

ARTICLE 7 **MISCELLANEOUS**

Section 7.1 **Notices.** Any notice required or permitted to be given under this Mortgage shall be in writing and either shall be (1) mailed by certified mail, postage prepaid, return receipt requested, or (2) sent by a nationally recognized overnight air courier service, or (3) sent by telecopy (provided an identical notice is also sent simultaneously by mail or overnight courier as otherwise provided in this Section 7.1). All such communications shall be mailed, sent or delivered, addressed to the party for whom it is intended at its address set forth below.

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If to Mortgagor: HQ GLOBAL HOLDINGS, INC.
 15305 Dallas Parkway, Suite 1400
 Addison, Texas 75001
 Attention: Peter Harris, Chief Operating Officer
 Telecopy no: (972) 361-8216
 E-Mail Address: peter.harris@hq.com

with a copy to:

HQ GLOBAL WORKPLACES, INC.
 15305 Dallas Parkway, Suite 1400
 Addison, Texas 75001
 Attention: Ken Pearson, Esq., General Counsel
 Telecopy no: (972) 361-8216
 E-Mail Address: ken.pearson@hq.com

and

Herrick Feinstein LLP
 Two Park Avenue
 New York, NY 10016
 Attention: Richard M. Morris, Esq.
 Telecopy no: (212) 592-1500
 E-Mail Address: Rmorr@herrick.com

and

Jones Day
 2727 N. Harwood Street
 Dallas, TX 75201
 Attention: Mark V. Minton, Esq.
 Telecopy no: (214) 969-5100
 E-Mail Address: mvminton@jonesday.com

If to Mortgagee: BNP PARIBAS
 787 SEVENTH
 New York, New York 10013
 Attention:
 Telecopy no:
 E-Mail Address:

with a copy to:

WEIL, GOTSHAL & MANGES LLP
 767 Fifth Avenue,
 New York, New York 10153-0119
 Attention: Marsha E. Simms, Esq.
 Telecopy no: (212) 310-8007
 E-Mail Address: marsha.simms@weil.com

and

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CASAS, BENJAMIN & WHITE LLC
 5215 Old Orchard Road
 Suite 850
 Skokie, IL 60077
 Attention: Edward Casas and Neil Luria
 Telecopy no: (847) 583-1719
 E-Mail Addresses: ecasas@cbwllc.com, nluria@cbwllc.com

Any communication so addressed and mailed shall be deemed to be given on the earliest of (a) when actually received or delivered, or (b) on the first Business Day after deposit with an overnight air courier service, in each case to the address of the intended addressee. If given by telecopy, a notice shall be deemed given and received when the telecopy is transmitted to the party's telecopy number specified above confirmation of complete receipt is received by the transmitting party during normal business hours or on the next Business Day if not confirmed during normal business hours, and an identical notice is also sent simultaneously by mail or overnight courier as otherwise provided in this Section 7.1. Either party may designate a change of address by written notice to the other by giving at least ten days prior written notice of such change of address.

Section 7.2 Covenants Running with the Land. All Obligations contained in this Mortgage are intended by Mortgagor and Mortgagee to be, and shall be construed as, covenants running with the Mortgaged Property. As used herein, "Mortgagor" shall refer to the party named in the first paragraph of this Mortgage and to any subsequent owner of all or any portion of the Mortgaged Property (without in any way implying that Mortgagee has or will consent to any such conveyance or transfer of the Mortgaged Property). All persons or entities who may have or acquire an interest in the Mortgaged Property shall be deemed to have notice of, and be bound by, the terms of the Credit Agreement and the other Loan Documents; however, no such party shall be entitled to any rights thereunder without the prior written consent of Mortgagee.

Section 7.3 Attorney-in-Fact. Mortgagor hereby irrevocably appoints Mortgagee and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest, (a) to execute and/or record any notices of completion, cessation of labor or any other notices that Mortgagee deems appropriate to protect Mortgagee's interest, if Mortgagor shall fail to do so within ten (10) days after written request by Mortgagee, (b) upon the issuance of a deed pursuant to the foreclosure of this Mortgage or the delivery of a deed in lieu of foreclosure, to execute all instruments of assignment, conveyance or further assurance with respect to the Lease, Leases, Rents, Personalty, Fixtures, Plans and Property Agreements in favor of the grantee of any such deed and as may be necessary or desirable for such purpose, (c) to prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve Mortgagee's security interests and rights in or to any of the collateral, and (d) while any Event of Default exists, to perform any obligation of Mortgagor hereunder; however: (1) Mortgagee shall not under any circumstances be obligated to perform any obligation of Mortgagor; (2) any sums advanced by Mortgagee in such performance shall be added to and included in the Indebtedness and shall bear interest at the Default Rate; (3) Mortgagee as such attorney-in-fact shall only be accountable for such funds as are actually received by Mortgagee; and (4) Mortgagee shall not be liable to Mortgagor or any other person or entity for any failure to take any action which it is empowered to take under this Section.

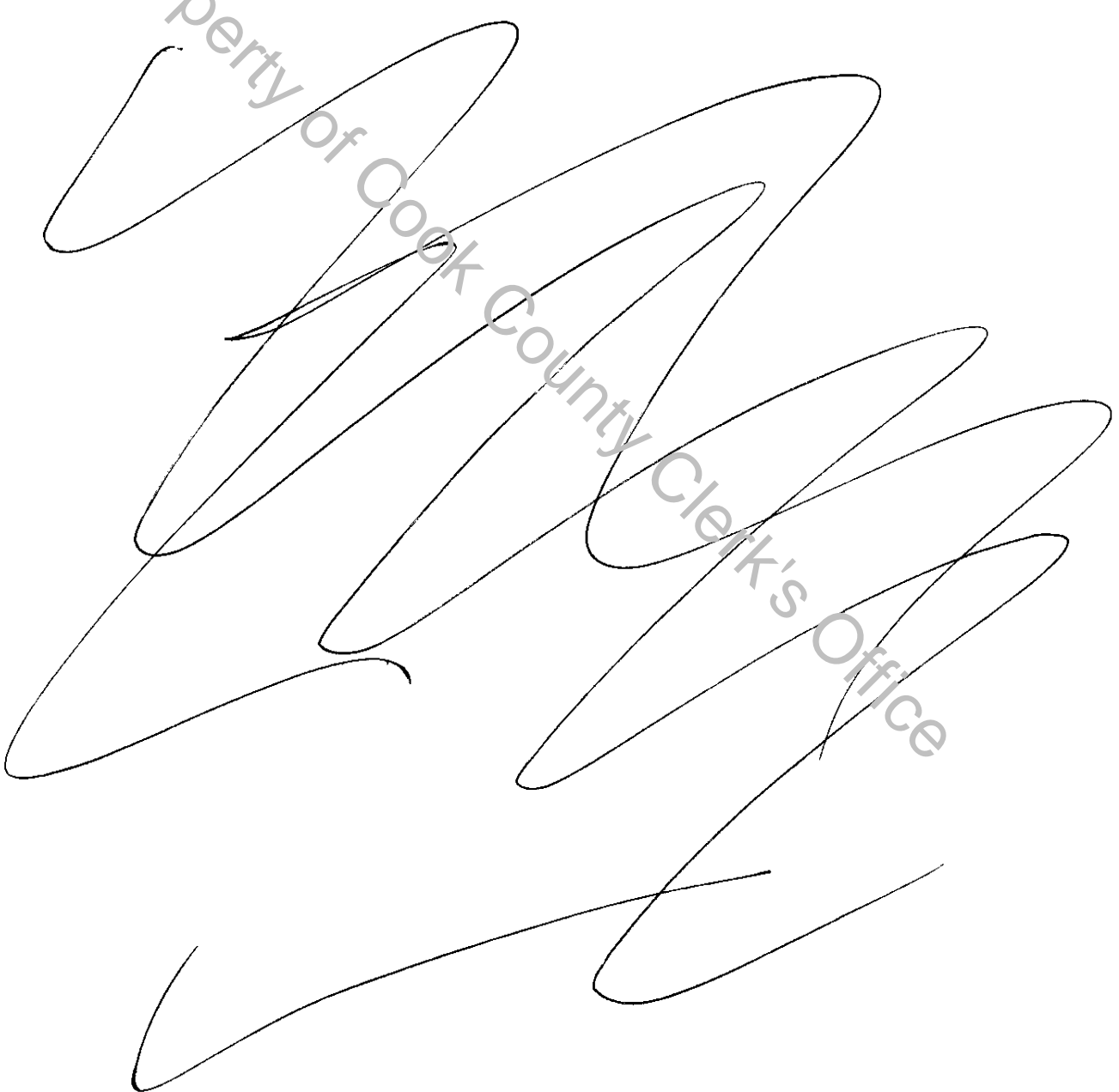
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Section 7.4 **Successors and Assigns.** This Mortgage shall be binding upon and inure to the benefit of Mortgagee and Mortgagor and their respective successors and assigns. Mortgagor shall not, without the prior written consent of Mortgagee, assign any rights, duties or obligations hereunder.

Section 7.5 **No Waiver.** Any failure by Mortgagee to insist upon strict performance of any of the terms, provisions or conditions of the Loan Documents shall not be deemed to be a waiver of same, and Mortgagee shall have the right at any time to insist upon strict performance of all of such terms, provisions and conditions.

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Section 7.6 **Subrogation**. To the extent proceeds of the Notes have been used to extinguish, extend or renew any indebtedness against the Mortgaged Property, then Mortgagee shall be subrogated to all of the rights, liens and interests existing against the Mortgaged Property and held by the holder of such indebtedness and such former rights, liens and interests, if any, are not waived, but are continued in full force and effect in favor of Mortgagee.

Section 7.7 **Loan Documents**. If any conflict or inconsistency exists between this Mortgage and the Loan Documents, the Loan Documents shall govern and control.

Section 7.8 **Release**. Upon payment and performance of the Secured Obligations and the L/C Obligations, Mortgagee, at Mortgagor's expense, shall release the liens and security interests created by this Mortgage.

Section 7.9 **Waiver of Stay, Moratorium and Similar Rights**. Mortgagor agrees, to the full extent that it may lawfully do so, that it will not at any time insist upon or plead or in any way take advantage of any appraisal, valuation, stay, marshalling of assets, extension, redemption or moratorium law now or hereafter in force and effect so as to prevent or hinder the enforcement of the provisions of this Mortgage or the indebtedness secured hereby, or any agreement between Mortgagor and Mortgagee or any rights or remedies of Mortgagee.

Section 7.10 **Intentionally Omitted**.

Section 7.11 **Obligations of Mortgagor, Joint and Several**. If more than one person or entity has executed this Mortgage as "Mortgagor," the obligations of all such persons or entities hereunder shall be joint and several.

Section 7.12 **Governing Law**. This Mortgage shall be governed by the laws of the State where the Mortgaged Property is located.

Section 7.13 **Headings**. The Article, Section and Subsection titles hereof are inserted for convenience of reference only and shall in no way alter, modify or define, or be used in construing, the text of such Articles, Sections or Subsections.

Section 7.14 **Entire Agreement**. This Mortgage and the other Loan Documents embody the entire agreement and understanding between Mortgagee and Mortgagor and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof. Accordingly, the Loan Documents may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

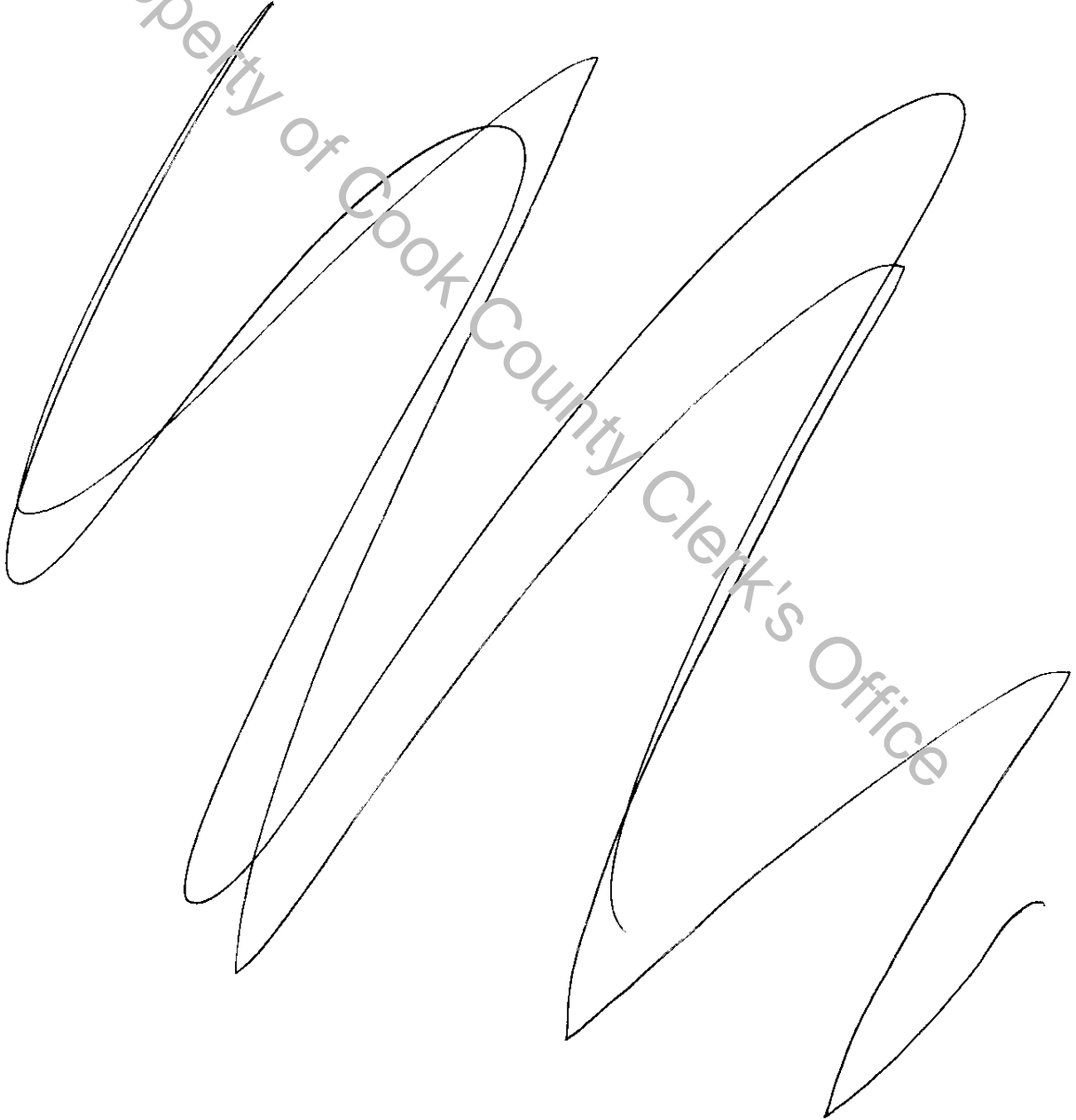
Section 7.15 **Waiver of Jury Trial**. MORTGAGOR AND MORTGAGEE HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS MORTGAGE OR ANY OTHER LOAN DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith, OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF EITHER PARTY OR ANY EXERCISE BY ANY PARTY OF THEIR RESPECTIVE RIGHTS UNDER THE LOAN DOCUMENTS OR IN ANY

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WAY RELATING TO THE LOAN OR THE MORTGAGED PROPERTY (INCLUDING, WITHOUT LIMITATION, ANY ACTION TO RESCIND OR CANCEL THIS MORTGAGE, AND ANY CLAIMS OR DEFENSES ASSERTING THAT THIS MORTGAGE WAS FRAUDULENTLY INDUCED OR IS OTHERWISE VOID OR VOIDABLE). THIS WAIVER IS A MATERIAL INDUCEMENT FOR MORTGAGEE TO ACCEPT THIS MORTGAGE.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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EXECUTED as of the date first above written.

Signed, sealed and
delivered in the presence:HQ Global Workplaces, Inc., a Delaware
corporation

Pam Chreene
Print Name: PAM CHREENE

By: [Signature]
Ken Pearson, Vice President and General Counsel

[Signature]
Print Name: Heather M. Callanan

Address: 15305 Dallas Parkway
Suite 1400
Addison, Texas 75001

STATE OF TEXAS

COUNTY OF DALLAS

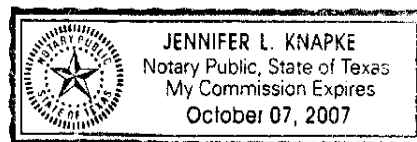
The foregoing instrument was acknowledged before me this 20th day of October, 2003,
by Ken Pearson, as Vice President of HQ Global Workplaces, Inc., a Delaware corporation, on
behalf of said corporation. He is personally known to me

[Signature]
Signature of Notary Public

Jennifer L. Knapke
Printed Name of Notary Public

My Commission Expires:

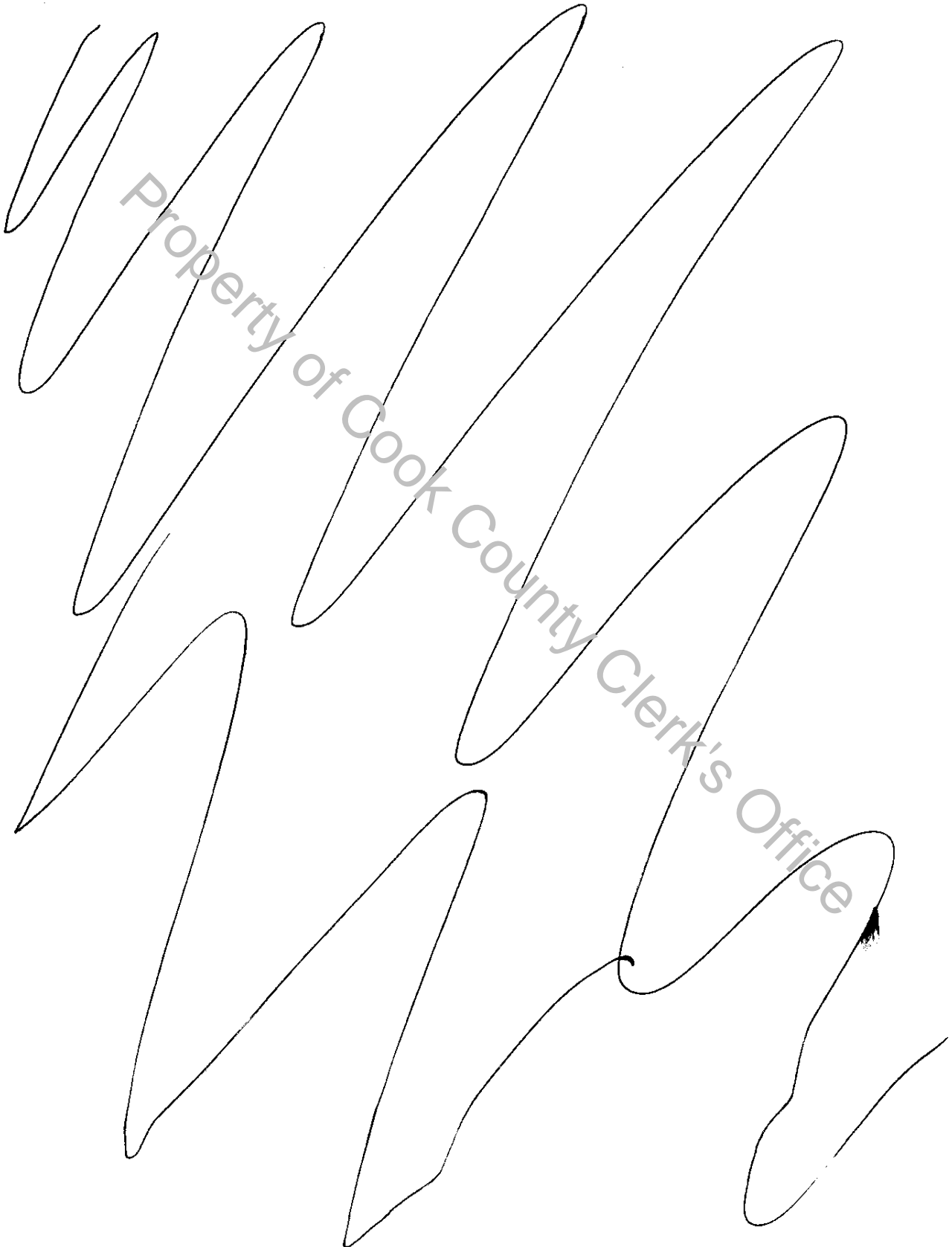
[SEAL]



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EXHIBIT A

Legal Description of Land



(3)

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08	08	403	021		49	16053
AREA	SUB-AREA	BLOCK	PARCEL	UNIT	WARRANT	CODE

OFFICE OF THE CLERK OF COOK COUNTY, ILLINOIS
PERMANENT REAL ESTATE INDEX NUMBER AND LEGAL DESCRIPTION

AREA SUB-AREA BLOCK PARCEL UNIT
08- 08- 403- 021

VOLUME
49
TAX CODE
16053

1985 DIVISION

Block 403 Parcel 002
403 002

58-62 VENTURE SUB
BEG AT SE COR LOT 4 TH N 89deg 51'05" W ALG S/L LOT 2
2&4 334.79FT TH S 88deg 15'10" W ALG S/L LOT 2 162.03FT
TH N 0deg 17'57" W 1128.93FT TH N 89deg 42'03" E 137FT
TH S 0deg 17'57" E 159.65FT TH S 50deg 40'22" E 149.69
FT TH S 0deg 17'57" E 19.37FT TH N 89deg 42'03" E 227.47
FT TO A PNT ON E/L LOT 4 TH S 0deg 17'57" E 853.38FT TO
POB

8/

SEC.	TOWN	RANGE	LOT	SUB-LOT	LOT	BLOCK
9	41	11				

PRYOR 306413

1600 GOLF ROAD, CORPORATE CENTER
Rolling meadows 60008

Cook County Clerk's Office