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Cook County Recorder of Deeds
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Loan No. V_62010

HRHC DELAWARE, LLC, a Delaware limited liability company, as mortgagor
(Borrower)

to

JPMORGAN CHASE BANK, N.A., as mortgagee
(Lender)

**MORTGAGE AND
SECURITY AGREEMENT**

Dated: July 27, 2007

PREPARED BY AND UPON
RECORDATION RETURN TO:

Stites & Harbison, PLLC
400 West Market Street, Suite 1800
Louisville, Kentucky 40202
Attention: Geoffrey M. White, Esq.

Permanent Index #17-10-303-024

**NOTE TO CLERK/RECORDER:
THIS INSTRUMENT IS ALSO A FIXTURE FINANCING STATEMENT.**

Record & Return to:

LANDSERVICES USA
BRENDA SEARS
22 N. CHURCH ST. SUITE 100
WEST CHESTER, PA 19380

WCS- 277990
LL 30F7 DEC

101

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MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (this "**Security Instrument**") is made as of the 27 day of July, 2007, by HRHC DELAWARE, LLC, a Delaware limited liability company, having its principal place of business at 230 N. Michigan Avenue, Chicago, Illinois 60601 ("**Borrower**"), to JPMORGAN CHASE BANK, N.A., a banking association chartered under the laws of the United States of America, having its principal place of business at 270 Park Avenue, New York, New York 10017, as beneficiary ("**Lender**").

RECITALS:

Borrower by its Fixed Rate Note of even date herewith given to Lender is indebted to Lender in the principal sum of \$69,500,000.00 in lawful money of the United States of America (such Fixed Rate Note, together with all extensions, renewals, modifications, substitutions and amendments thereof, shall collectively be referred to as the "**Note**"), with interest from the date thereof at the rates set forth in the Note, principal and interest to be payable in accordance with the terms and conditions provided in the Note, and with a final maturity date of August 1, 2012.

Borrower desires to secure the payment of the Debt (as defined in Article 2) and the performance of all of its obligations under the Note and the Other Obligations (as defined in Article 2).

ARTICLE 1 - GRANTS OF SECURITY

Section 1.1 PROPERTY MORTGAGED. Borrower does hereby irrevocably, unconditionally and absolutely, mortgage, grant, bargain, sell, pledge, enfeoff, assign, warrant, transfer and convey to Lender (with power of sale) and does hereby grant a first priority security interest to Lender in, the following property, rights, interests and estates now owned, or hereafter acquired, by Borrower (collectively, the "**Property**"):

(a) Land. The real property described in Exhibit A attached hereto and made a part hereof (collectively, the "**Land**"), together with additional lands, estates and development rights hereafter acquired by Borrower for use in connection with the development, ownership or occupancy of such real property, and all additional lands and estates therein which may, from time to time, by supplemental mortgage or otherwise be expressly made subject to the lien of this Security Instrument;

(b) Improvements. The buildings, structures, fixtures, additions, accessions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Land (the "**Improvements**");

(c) Easements. All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Land and the Improvements and the reversion and reversions, remainder and remainders,

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and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land, to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Borrower of, in and to the Land and the Improvements and every part and parcel thereof, with the appurtenances thereto;

(d) Fixtures and Personal Property. All machinery, equipment, goods, inventory, consumer goods, furnishings, fixtures (including but not limited to all heating, air conditioning, plumbing, inventory, lighting, communications and elevator fixtures) and other personal property of every kind and nature, whether tangible or intangible, whatsoever owned by Borrower, or in which Borrower has or shall have an interest, now or hereafter located upon the Land and the Improvements, or appurtenant thereto, and usable in connection with the present or future use, maintenance, enjoyment, operation and occupancy of the Land and the Improvements, including without limitation, beds, bureaus, chiffonniers, chests, chairs, desks, lamps, mirrors, bookcases, tables, rugs, carpeting, drapes, draperies, curtains, shades, venetian blinds, screens, paintings, hangings, pictures, divans, couches, luggage carts, luggage racks, stools, sofas, chinaware, linens, pillows, blankets, glassware, foodcarts, cookware, dry cleaning facilities, dining room wagon, keys or other entry systems, bars, bar fixtures, mini-bars, liquor and other drink dispensers, icemakers, kitchen equipment, radios, television sets, cable t.v. equipment, intercom and paging equipment, electric and electronic equipment, dictating equipment, private telephone systems, reservation systems and related computer software, medical equipment, potted plants, heating, lighting and plumbing fixtures, fire prevention and extinguishing apparatus, fittings, plants, apparatus, stoves, ranges, refrigerators, cutlery and dishes, laundry machines, tools, machinery, engines, dynamos, motors, boilers, incinerators, washers and dryers, other customary hotel equipment, and all building equipment, material and supplies of any nature whatsoever owned by Borrower, or in which Borrower has or shall have an interest, now or hereafter located upon the Land and the Improvements, or appurtenant thereto, or usable in connection with the present or future operation, enjoyment and occupancy of the Land and the Improvements and the right, title and interest of Borrower in and to any of the Personal Property (as hereinafter defined) which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the state or states where any of the Property is located (the "**Uniform Commercial Code**") superior in lien to the lien of this Security Instrument and all proceeds and products of the above;

(e) Leases and Rents. All leases, subleases and other agreements (specifically including, but not limited to that certain (i) Lease dated October 25, 2001 between HRH Chicago, LLC, an Illinois limited liability company ("**Lessee**"), U.S. Bank, N.A. (as successor in interest to Firststar Bank, N.A., not personally but as Trustee under Trust Agreement dated October 10, 2001 and known as Trust No. 7504) ("**Land Trustee**"), and St. George Hotel, L.L.C. ("**St. George LLC**"), as amended by that certain First Amendment to Lease dated as of February 23, 2005, and as subsequently assigned by Land Trustee and St. George LLC to Borrower by that certain Bill of Sale, Assignment of Lease and Security Deposit, and General Assignment (the "**Assignment**") dated on or about as of even date herewith between Borrower, St. George LLC, and Land Trustee (collectively the "**Operating Lease**"), (ii) that certain HTC Pass-Through Agreement

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between St. George LLC and Lessee dated as of October 25, 2001, as amended by that certain First Amendment to HTC Pass-Through Agreement dated as of February 23, 2005 and as subsequently assigned to Borrower pursuant to the Assignment (collectively, the "**HTC Pass-Through Agreement**"), and (iii) that certain Original Assignment of Leases and Rents dated on or about as of even date hereof from Lessee to Borrower (the "**Original Assignment**"), affecting the use, enjoyment or occupancy of the Land and the Improvements heretofore or hereafter entered into (including, without limitation, any and all security interests, contractual liens and security deposits) whether before or after the filing by or against Borrower of any petition for relief under 11 U.S.C. §101 et seq. as the same may be amended from time to time (the "**Bankruptcy Code**") (individually, a "**Lease**", collectively, the "**Leases**") and all income, rents (including, without limitation, room rents, revenues, accounts and receivables derived from the use or occupancy of all or any portion of the Improvements), issues, profits and revenues (including all oil and gas or other mineral royalties and bonuses) from the Land and the Improvements whether paid or accruing before or after the filing by or against Borrower of any petition for relief under the Bankruptcy Code, including, without limitation, all revenues and credit card receipts collected from guest rooms, restaurants, bars, meeting rooms, banquet rooms and recreational facilities, all receivables, customer obligations, installment payment obligations and other obligations now existing or hereafter arising or created out of the sale, lease, sublease, license, concession or other grant of the right of the use and occupancy of property or rendering of services by Borrower, Lessee, or any operator or manager of the hotel or the commercial space located in the Improvements or acquired from others (including, without limitation, from the rental of any office space, retail space, guest rooms or other space, halls, stores, and offices, and deposits securing reservations of such space), license, lease, sublease and concession fees and rentals, health club membership fees, food and beverage wholesale and retail sales (including mini-bar revenues), service charges, vending machine sales and proceeds, if any, from business interruption or other loss of income insurance (collectively, the "**Rents**") and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Debt;

(f) Condemnation Awards. All awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to the Property, whether from the exercise of the right of eminent domain (including but not limited to any transfer made in lieu of or in anticipation of the exercise of the right), or for a change of grade, or for any other injury to or decrease in the value of the Property;

(g) Insurance Proceeds. All proceeds of and any unearned premiums on any insurance policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Property;

(h) Tax Certiorari. All refunds, rebates or credits in connection with a reduction in real estate taxes and assessments charged against the Property as a result of tax certiorari or any applications or proceedings for reduction;

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(i) Conversion. All proceeds of the conversion, voluntary or involuntary, of any of the foregoing including, without limitation, proceeds of insurance and condemnation awards, into cash or liquidation claims;

(j) Rights. The right, in the name and on behalf of Borrower, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Lender in the Property;

(k) Agreements. All agreements, contracts (including purchase, sale, option, right of first refusal and other contracts pertaining to the Property), certificates, instruments, franchises, permits, licenses, approvals, consents, plans, specifications, franchise agreements and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Property (including any Improvements or respecting any business or activity conducted on the Land and any part thereof) and all right, title and interest of Borrower therein and thereunder, including, without limitation, the right, upon the happening of any default hereunder, to receive and collect any sums payable to Borrower thereunder and specifically including the HTC Pass-Through Agreement and that certain Security Agreement and Assignment of Contract Licenses, Permits, Agreements, Warranties and Approvals between Borrower and the Lessee dated as of even date hereof (the "**Security Agreement and Assignment of Contracts**") and the Original Assignment;

(l) Trademarks. All tradenames, trademarks, servicemarks, logos, copyrights, goodwill, books and records and all other general intangibles relating to or used in connection with the operation of the Property;

(m) Accounts. All accounts, accounts receivable, escrows (including, without limitation, all escrows, deposits, reserves and impounds established pursuant to that certain Escrow Agreement for Reserves and Impounds of even date herewith between Borrower and Lender; hereinafter the "**Escrow Agreement**"), FF&E and Replacement Reserves (as such terms are defined in the Operating Lease), documents, instruments, chattel paper, deposit accounts, investment property, claims, reserves (including deposits) representations, warranties and general intangibles, as one or more of the foregoing terms may be defined in the Uniform Commercial Code, and all contract rights, franchises, books, records, plans, specifications, permits, licenses (to the extent assignable), approvals, actions, choses, commercial tort claims, suits, proofs of claim in bankruptcy and causes of action which now or hereafter relate to, are derived from or are used in connection with the Property, including, without limitation, all revenues and credit card receipts collected from guest rooms, restaurants, bars, meeting rooms, banquet rooms, and recreational facilities, all receivables, customer obligations, installment payment obligations and other obligations now existing or hereafter arising or created out of the sale, lease, sublease, license, concession or other grant of the right of the use and occupancy of property or rendering of services by Debtor or any operator or manager of the hotel or the commercial space located in the Improvements or acquired from others (including, without limitation, from the rental of any office space, retail space, guest rooms or other space, halls, stores, and offices, and deposits securing reservations of such

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space), license, lease, sublease and concession fees and rentals, health club membership fees, food and beverage wholesale and retail sales, service charges, vending machine sales and proceeds, if any, from business interruption or other loss of income insurance, or arising from the sale of any Property or the rendition of services in the ordinary course of business or otherwise (whether or not earned by performance), together with any Property returned by or reclaimed from customers wherever such Property is located, or the use, operation, maintenance, occupancy or enjoyment thereof or the conduct of any business activities thereon (collectively called the "Intangibles");

(n) Other Rights. Any and all other rights of Borrower in and to the Property and any accessions, renewals, replacements and substitutions of all or any portion of the Property and all proceeds derived from the sale, transfer, assignment or financing of the Property or any portion thereof; and

(o) Liquor License. All licenses, permits, approvals and consents which are required for the sale and service of alcoholic beverages on the Property heretofore or hereafter obtained from applicable state and local authorities.

Section 1.2 ASSIGNMENT OF RENTS. Borrower hereby absolutely and unconditionally assigns to Lender Borrower's right, title and interest in and to all current and future Leases and Rents; it being intended by Borrower that this assignment constitutes a present, absolute and unconditional assignment and not an assignment for additional security only. Nevertheless, subject to the terms of this Section 1.2 and the terms and conditions of that certain Assignment of Leases and Rents of even date herewith (the "ALR"), from Borrower to Lender, Lender grants to Borrower a revocable license to collect and receive the Rents. Borrower shall hold the Rents, or a portion thereof sufficient to discharge all current sums due on the Debt, for use in the payment of such sums.

Section 1.3 DEFINITION OF PERSONAL PROPERTY. For purposes of this Security Instrument, the Property identified in Subsections 1.1(d) through 1.1(o), inclusive, shall be collectively referred to herein as the "Personal Property."

Section 1.4 PLEDGE OF MONIES HELD. Borrower hereby pledges to Lender any and all monies now or hereafter held by Lender, including, without limitation, any sums deposited in the Funds (as defined in the Escrow Agreement), all insurance proceeds described in Section 3.2 and condemnation awards or payments described in Section 3.4, as additional security for the Obligations until expended or applied as provided in this Security Instrument.

CONDITIONS TO GRANT

TO HAVE AND TO HOLD the above granted and described Property unto and to the use and benefit of Lender, and the successors and assigns of Lender, forever;

PROVIDED, HOWEVER, these presents are upon the express condition that, if Borrower shall well and truly pay to Lender the Debt at the time and in the manner provided in the Note and this Security Instrument, shall well and truly perform the Other Obligations as set forth in this Security Instrument and shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Note, these presents and the estate

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hereby granted shall cease, terminate and be void; provided however, that Borrower's obligation to indemnify and hold harmless Lender pursuant to the provisions hereof with respect to matters relating to any period of time during which this Security Instrument was in effect shall survive any such payment or release.

ARTICLE 2 - DEBT AND OBLIGATIONS SECURED

Section 2.1 DEBT. This Security Instrument and the grants, assignments and transfers made in Article 1 are given for the purpose of securing the following, in such order of priority as Lender may determine in its sole discretion (the "**Debt**"):

- (a) the payment of the indebtedness evidenced by the Note in lawful money of the United States of America;
- (b) the payment of interest, default interest, late charges and other sums, as provided in the Note, this Security Instrument or the Other Loan Documents (as hereinafter defined);
- (c) the payment of all other moneys agreed or provided to be paid by Borrower in the Note, this Security Instrument or the Other Loan Documents;
- (d) the payment of all sums advanced pursuant to this Security Instrument to protect and preserve the Property and the lien and the security interest created hereby; and
- (e) the payment of all sums advanced, costs and expenses incurred, and processing fees charged by Lender in connection with the Debt or any part thereof, any renewal, extension, or change of or substitution for the Debt or any part thereof, or the acquisition or perfection of the security therefor, whether made or incurred at the request of Borrower or Lender.

Section 2.2 OTHER OBLIGATIONS. This Security Instrument and the grants, assignments and transfers made in Article 1 are also given for the purpose of securing the following (the "**Other Obligations**"):

- (a) the performance of all other obligations of Borrower contained herein;
- (b) the performance of each obligation of Borrower contained in any other agreement given by Borrower to Lender which is for the purpose of further securing the obligations secured hereby, and any amendments, modifications and changes thereto; and
- (c) the performance of each obligation of Borrower contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of the Note, this Security Instrument or the Other Loan Documents.

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Section 2.3 DEBT AND OTHER OBLIGATIONS. Borrower's obligations for the payment of the Debt and the performance of the Other Obligations shall be referred to collectively herein as the "**Obligations**".

Section 2.4 PAYMENTS. Unless payments are made in the required amount in immediately available funds at the place where the Note is payable, remittances in payment of all or any part of the Debt shall not, regardless of any receipt or credit issued therefor, constitute payment until the required amount is actually received by Lender in funds immediately available at the place where the Note is payable (or any other place as Lender, in Lender's sole discretion, may have established by delivery of written notice thereof to Borrower) and shall be made and accepted subject to the condition that any check or draft may be handled for collection in accordance with the practice of the collecting bank or banks. Acceptance by Lender of any payment in an amount less than the amount then due shall be deemed an acceptance on account only, and the failure to pay the entire amount then due shall be and continue to be an Event of Default (as hereinafter defined).

ARTICLE 3 - BORROWER COVENANTS

Borrower covenants and agrees that:

Section 3.1 INCORPORATION BY REFERENCE. All the covenants, conditions and agreements contained in (a) the Note, and (b) all and any of the documents other than the Note or this Security Instrument now or hereafter executed by Borrower in favor of Lender in connection with the creation of the Obligations, the payment of any other sums owed by Borrower to Lender or the performance of any Obligations (collectively the "**Other Loan Documents**"), are hereby made a part of this Security Instrument to the same extent and with the same force as if fully set forth herein. The term "**Loan Documents**" as used herein shall individually and collectively refer to the Note, this Security Instrument and the Other Loan Documents; provided, however, that notwithstanding any provision of this Security Instrument to the contrary, the Obligations of the Borrower under that certain Environmental Indemnity Agreement of even date herewith executed by Borrower in favor of Lender (the "**Environmental Indemnity**") shall not be deemed or construed to be secured by this Security Instrument or otherwise restricted or affected by the foreclosure of the lien hereof or any other exercise by Lender of its remedies hereunder or under any other Loan Document, such Environmental Indemnity being intended by the signatories thereto to be its (or their) unsecured obligation.

Section 3.2 INSURANCE.

(a) Borrower shall obtain and maintain (or cause to be obtained and maintained), and shall pay all premiums in accordance with Subsection 3.2(b) below for, insurance for Borrower and the Property providing at least the following coverages:

(i) comprehensive all risk insurance providing "special" form coverage (including, without limitation, windstorm, riot and civil commotion, vandalism, malicious mischief, water, fire, burglary and theft, sinkhole collapse, hail, smoke, aircraft or vehicles, sprinkler leakage, and damage from weight of ice or snow, and without any exclusion for

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terrorism) on the Improvements and the Personal Property and in each case (A) in an amount equal to 100% of the "Full Replacement Cost," which for purposes of this Security Instrument shall mean actual replacement value (exclusive of costs of excavations, foundations, underground utilities and footings) with a waiver of depreciation; (B) containing an agreed amount endorsement and replacement cost endorsement with respect to the Improvements and Personal Property waiving all co-insurance provisions; (C) providing for no deductible in excess of \$25,000.00; and (D) containing Demolition Costs, Increased Cost of Construction and "Ordinance or Law Coverage" or "Enforcement" endorsements in amounts satisfactory to Lender if any of the Improvements or the use of the Property shall at any time constitute legal non-conforming structures or uses or the ability to rebuild the Improvements is restricted or prohibited. The Full Replacement Cost may be redetermined from time to time by an appraiser or contractor designated and paid by Lender or by an engineer or appraiser in the regular employ of the insurer. No omission on the part of Lender to request any such appraisals shall relieve Borrower of any of its obligations under this Subsection;

(ii) comprehensive commercial general liability insurance against claims for personal injury, bodily injury, death or property damage occurring upon, in or about the Property, such insurance (A) to be on the so-called "occurrence" form with a combined single limit of not less than \$1,000,000.00 per occurrence and not less than \$2,000,000 in the aggregate, and not less than \$3,000,000.00 if the Property has one or more elevators, as well as liquor liability insurance in a minimum amount of \$2,000,000.00 if any part of the Property is covered by a liquor license and an aggregate coverage limit acceptable to Lender; (B) to continue at not less than the aforesaid limit until required to be changed by Lender in writing by reason of changed economic conditions making such protection inadequate; (C) to cover at least the following hazards: (1) premises and operations; (2) products and completed operations on an "if any" basis; (3) independent contractors; (4) blanket contractual liability for all written and oral contracts; (5) contractual liability covering the indemnities contained in Article 11 hereof to the extent the same is available; and (D) to be without deductible;

(iii) business income insurance (A) with loss payable to Lender; (B) covering losses of income and Rents derived from the Property and any non-insured property on or adjacent to the Property resulting from any risk or casualty whatsoever; (C) containing an extended period of indemnity endorsement which provides that after the physical loss to the Improvements and Personal Property has been repaired, the continued loss of income will be insured until such income either returns to the same level it was at prior to the loss, or the expiration of six (6) months from the date that the Property is repaired or replaced and operations are resumed,

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whichever first occurs, and notwithstanding that the policy may expire prior to the end of such period, provided, however, if the Rating Agency rating the Securities in connection with a Securitization (as hereinafter defined) requires increased coverage then Borrower shall obtain an extended period of indemnity endorsement for a twelve (12) month and not a six (6) month period as required above; and (D) in an amount equal to one hundred percent (100%) of the projected gross income from the Property for a period of twelve (12) months, provided, however, if the Rating Agency rating the Securities in connection with a Securitization requires increased coverage then Borrower shall obtain such coverage to be for a period of eighteen (18) months. The amount of such business income insurance shall be determined by Lender prior to the date hereof and at least once each year thereafter based on Borrower's reasonable estimate of the gross income from the Property for the succeeding twelve (12) month period, provided, however, if the Rating Agency rating the Securities in connection with a Securitization requires increased coverage then Borrower shall provide a reasonable estimate of the gross income from the Property for the succeeding eighteen (18) month period. All insurance proceeds payable to Lender pursuant to this Subsection 3.2(a)(iii) shall be held by Lender and shall be applied to the Obligations; provided, however, that nothing herein contained shall be deemed to relieve Borrower of its obligations to pay the Obligations secured hereunder on the respective dates of payment provided for in the Note except to the extent such amounts are actually paid out of the proceeds of such business income insurance;

(iv) at all times during which structural construction, repairs or alterations are being made with respect to the Improvements: (A) owner's contingent or protective liability insurance covering claims not covered by or under the terms or provisions of the above mentioned commercial general liability insurance policy; and (B) the insurance provided for in Subsection 3.2(a)(i) written in a so-called builder's risk completed value form (1) on a non-reporting basis, (2) against all risks insured against pursuant to Subsection 3.2(a)(i), (3) including permission to occupy the Property, and (4) with an agreed amount endorsement waiving co-insurance provisions;

(v) workers' compensation, subject to the statutory limits of the state in which the Property is located, and employer's liability insurance with a limit of at least \$2,000,000.00 per accident and per disease per employee, and \$2,000,000.00 for disease aggregate in respect of any work or operations on or about the Property, or in connection with the Property or its operation (if applicable);

(vi) comprehensive boiler and machinery insurance (without exclusion for explosion), if applicable, for 100% of the full replacement cost of such equipment and the building or buildings housing the same, on

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terms consistent with the commercial property insurance policy required under Subsection 3.2(a)(i) above, and covering all boilers or other pressure vessels, turbines, engines, machinery and equipment located at or about the Property (including, without limitation, electrical equipment, sprinkler systems, heating and air conditioning equipment, refrigeration equipment and piping);

(vii) if any portion of the Improvements is currently or at any time in the future located in a "special flood hazard area," as designated by the Federal Emergency Management Agency or such other applicable federal agency, flood hazard insurance in an amount equal to the maximum amount available under the national flood insurance program and in addition to the maximum available under the national flood program, any excess limits as determined by Lender in its sole and absolute discretion;

(viii) umbrella liability insurance in an amount not less than Twenty-Five Million and No/100 Dollars (\$25,000,000.00) per occurrence and in the aggregate on terms consistent with the commercial general liability insurance policy required under Section 3.2(a)(ii) hereof;

(ix) if the Property is in an area identified by any governmental, engineering or any hazard underwriting agencies as being subject to the peril of earthquake or located in an area with a high degree of seismic activity, with a probable maximum loss ("PML") exceeding twenty percent (20%), earthquake insurance equal to twenty percent (20%) of the Full Replacement Cost with a waiver of depreciation of the Property; and

(x) such other insurance and in such amounts as Lender from time to time may reasonably request against such other insurable hazards which at the time are commonly insured against for property similar to the Property located in or around the region in which the Property is located, including, without limitation mine subsidence insurance and environmental insurance.

(b) All insurance provided for in Subsection 3.2(a) hereof shall be obtained under valid and enforceable policies (the "Policies" or in the singular, the "Policy"), in such forms and, from time to time after the date hereof, in such amounts as may from time to time be reasonably satisfactory to Lender, for a minimum policy term not less than one year, issued by financially sound and responsible insurance companies authorized to do business in the state in which the Property is located as admitted or unadmitted carriers which, in either case, have been reasonably approved by Lender and which have a claims paying ability rating of A or better issued by Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. or with a claims paying ability rating otherwise reasonably acceptable to Lender (each such insurer shall be referred to below as a "**Qualified Insurer**"). Such Policies shall not be subject to invalidation due to the use or occupancy of the Property for purposes more hazardous

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than the use of the Property at the time such Policies were issued. No Policy required under Sections 3.2(a)(i) and (iii) hereof shall contain an exclusion from coverage under such Policy for loss or damage incurred as a result of an act of terrorism or similar acts of sabotage; or if any such Policy does contain such an exclusion, Borrower shall obtain and maintain a separate terrorism insurance policy with coverage amounts and for periods required by Sections 3.2(a)(i) and (iii) above ("**Terrorism Coverage**"); provided, however, Borrower shall not be required to pay more than \$175,000.00 (the "**Terrorism Premium Cap**") in annual premiums to obtain Terrorism Coverage. If the Terrorism Premium Cap is not sufficient to purchase the amount of Terrorism Coverage required by Sections 3.2(a)(i) and (iii) above, then Borrower shall purchase the amount of Terrorism Coverage that is available for the Terrorism Premium Cap. Not less than thirty (30) days prior to the expiration dates of the Policies theretofore furnished to Lender pursuant to Subsection 3.2(a), certified copies of the Policies marked "premium paid" or accompanied by evidence reasonably satisfactory to Lender of payment of the premiums due thereunder (the "**Insurance Premiums**") shall be delivered by Borrower to Lender; provided, however, that in the case of renewal Policies, Borrower may furnish Lender with binders therefor to be followed by the original Policies when issued.

(c) Borrower shall not obtain (i) separate insurance concurrent in form or contributing in the event of loss with that required in Subsection 3.2(a) to be furnished by, or which may be reasonably required to be furnished by, Borrower, or (ii) any umbrella or blanket liability or casualty Policy unless, in each case, Lender's interest is included therein as provided in this Security Instrument and such Policy is issued by a Qualified Insurer. If Borrower obtains separate insurance or an umbrella or a blanket Policy, Borrower shall notify Lender of the same and shall cause certified copies of each Policy to be delivered as required in Subsection 3.2(a). Any blanket insurance Policy shall specifically allocate to the Property the amount of coverage from time to time required hereunder and shall otherwise provide the same protection as would a separate Policy insuring only the Property in compliance with the provisions of Subsection 3.2(a).

(d) All Policies of insurance provided for or contemplated by Subsection 3.2(a) shall name Lender, its successors and assigns, including any servicers, trustees or other designees of Lender, and Borrower as the insured or additional insured, as their respective interests may appear, and in the case of property damage, boiler and machinery, and flood insurance, shall contain a so-called New York standard non-contributing Lender clause in favor of Lender providing that the loss thereunder shall be payable to Lender.

(e) All Policies of insurance provided for in Subsection 3.2(a) shall contain clauses or endorsements to the effect that:

(i) no act or negligence of Borrower, or anyone acting for Borrower, or of any tenant under any Lease or other occupant, or failure to comply with the provisions of any Policy which might otherwise result in a forfeiture of the insurance or any part thereof, shall in any way affect the validity or enforceability of the insurance insofar as Lender is concerned;

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- (ii) the Policy shall not be materially changed (other than to increase the coverage provided on the Property thereby) or canceled without at least thirty (30) days' prior written notice to Lender and any other party named therein as an insured;
- (iii) each Policy shall provide that the issuers thereof shall give written notice to Lender if the Policy has not been renewed thirty (30) days prior to its expiration; and
- (iv) Lender shall not be liable for any Insurance Premiums thereon or subject to any assessments thereunder.
- (f) Borrower shall furnish to Lender, within ten (10) Business Days after Lender's written request therefor (but in no event more than three (3) times during any twelve (12) month period prior to Securitization and no more than one (1) time during any twelve (12) month period following Securitization), a statement certified by Borrower or a duly authorized officer of Borrower of the amounts of insurance maintained in compliance herewith, of the risks covered by such insurance and of the insurance company or companies which carry such insurance and, if requested by Lender, verification of the adequacy of such insurance by an independent insurance broker or appraiser acceptable to Lender.
- (g) If at any time Lender is not in receipt of written evidence that all insurance required hereunder is in full force and effect, Lender shall have the right but not the obligation, without notice to Borrower, to take such action as Lender deems necessary to protect its interest in the Property, including, without limitation, the obtaining of such insurance coverage as Lender reasonably deems appropriate, and all expenses incurred by Lender in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by Borrower to Lender upon demand and until paid shall be secured by this Security Instrument and shall bear interest at the Default Rate (as hereinafter defined).
- (h) If the Property shall be damaged or destroyed, in whole or in part, by fire or other casualty, Borrower shall give prompt notice thereof to Lender.
- (i) In case of loss covered by Policies, Lender may either (1) settle and adjust any claim without the consent of Borrower, or (2) allow Borrower to agree with the insurance company or companies on the amount to be paid upon the loss; provided, that Borrower may adjust losses aggregating not in excess of \$1,000,000.00 if such adjustment is carried out in a competent and timely manner, and provided that in any case Lender shall and is hereby authorized to collect and receive any such insurance proceeds; and the expenses incurred by Lender in the adjustment and collection of insurance proceeds shall become part of the Debt and be secured hereby and shall be reimbursed by Borrower to Lender upon demand (unless deducted by and reimbursed to Lender from such proceeds).

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(ii) In the event of any insured damage to or destruction of the Property or any part thereof (herein called an "Insured Casualty"), if (A) less than 50% of the total floor area of the Improvements has been damaged, destroyed or rendered unusable as a result of such Insured Casualty and in the reasonable judgment of Lender, the Property can be restored within nine (9) months after insurance proceeds are made available and at least nine (9) months prior to the Maturity Date (as defined in the Note) to an economic unit not less valuable (including an assessment by Lender of the impact of the termination of any Leases due to such Insured Casualty) and not less useful than the same was prior to the Insured Casualty, and after such restoration will adequately secure the outstanding balance of the Debt, (B) intentionally deleted; and (C) no Event of Default (hereinafter defined) shall have occurred and be then continuing, then the proceeds of insurance shall be applied to reimburse Borrower for the cost of restoring, repairing, replacing or rebuilding the Property or part thereof subject to Insured Casualty, as provided below; and Borrower hereby covenants and agrees forthwith to commence and diligently to prosecute such restoring, repairing, replacing or rebuilding; provided, however, in any event Borrower shall pay all costs (and if required by Lender, Borrower shall deposit the total thereof with Lender in advance) of such restoring, repairing, replacing or rebuilding in excess of the net proceeds of insurance made available pursuant to the terms hereof.

(iii) Except as provided above, the proceeds of insurance collected upon any Insured Casualty shall, at the option of Lender in its sole discretion, be applied to the payment of the Debt or applied to reimburse Borrower for the cost of restoring, repairing, replacing or rebuilding the Property or part thereof subject to the Insured Casualty, in the manner set forth below. Any such application to the Debt shall not be considered a voluntary prepayment requiring payment of the prepayment consideration provided in the Note, and, except as provided in the Note, shall not reduce or postpone any payments otherwise required pursuant to the Note, other than the final payment on the Note. If Lender shall, following an Insured Casualty, elect to apply insurance proceeds to the payment of the Debt and such insurance proceeds shall not be sufficient to repay the Debt in full, then Borrower shall have sixty (60) days from the date of application of the insurance proceeds to the Debt to prepay the remaining balance of the Debt, and such prepayment during such sixty (60) day period shall not be considered a voluntary prepayment requiring payment of the prepayment consideration provided in the Note..

(iv) If proceeds of insurance, if any, are made available to Borrower for the restoring, repairing, replacing or rebuilding of the Property, Borrower hereby covenants to restore, repair, replace or rebuild the same to be of at least equal value and of substantially the same character as prior to such damage or destruction, all to be effected in

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accordance with applicable law and plans and specifications approved in advance by Lender.

(v) If Borrower is entitled to reimbursement out of insurance proceeds held by Lender, such proceeds shall be disbursed from time to time upon Lender being furnished with (1) evidence reasonably satisfactory to it (which evidence may include inspection[s] of the work performed) that the restoration, repair, replacement and rebuilding covered by the disbursement has been completed in accordance with plans and specifications approved by Lender, (2) evidence reasonably satisfactory to it of the estimated cost of completion of the restoration, repair, replacement and rebuilding, (3) funds, or, at Lender's option, assurances reasonably satisfactory to Lender that such funds are available, sufficient in addition to the proceeds of insurance to complete the proposed restoration, repair, replacement and rebuilding, and (4) such architect's certificates, waivers of lien, contractor's sworn statements, title insurance endorsements, bonds, plats of survey and such other evidences of cost, payment and performance as Lender may reasonably require and approve; and Lender may, in any event, require that all plans and specifications for such restoration, repair, replacement and rebuilding be submitted to and approved by Lender prior to commencement of work. With respect to disbursements to be made by Lender: (A) no payment made prior to the final completion of the restoration, repair, replacement and rebuilding shall exceed ninety percent (90%) of the value of the work performed from time to time; (B) funds other than proceeds of insurance shall be disbursed prior to disbursement of such proceeds; and (C) at all times, the undisbursed balance of such proceeds remaining in the hands of Lender, together with funds deposited for that purpose or irrevocably committed to the satisfaction of Lender by or on behalf of Borrower for that purpose, shall be at least sufficient in the reasonable judgment of Lender to pay for the cost of completion of the restoration, repair, replacement or rebuilding, free and clear of all liens or claims for lien and the costs described in Subsection 3.2(h)(vi) below. Any surplus which may remain out of insurance proceeds held by Lender after payment of such costs of restoration, repair, replacement or rebuilding shall be paid to any party entitled thereto. In no event shall Lender assume any duty or obligation for the adequacy, form or content of any such plans and specifications, nor for the performance, quality or workmanship of any restoration, repair, replacement and rebuilding.

(vi) Notwithstanding anything to the contrary contained herein, the proceeds of insurance reimbursed to Borrower in accordance with the terms and provisions of this Security Instrument shall be reduced by the reasonable costs (if any) incurred by Lender in the adjustment and collection thereof and in the reasonable costs incurred by Lender of paying out such proceeds (including, without limitation, reasonable attorneys' fees and costs paid to third parties for inspecting the restoration, repair,

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replacement and rebuilding and reviewing the plans and specifications therefor).

Section 3.3 PAYMENT OF TAXES, ETC.

(a) Borrower shall pay (or cause to be paid) all taxes, assessments, water rates, sewer rents, governmental impositions, and other charges, including without limitation, vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Land, now or hereafter levied or assessed or imposed against the Property or any part thereof (the "Taxes"), all ground rents, maintenance charges and similar charges, now or hereafter levied or assessed or imposed against the Property or any part thereof (the "Other Charges"), and all charges for utility services provided to the Property as same become due and payable. Borrower will deliver to Lender, promptly upon Lender's written request, evidence reasonably satisfactory to Lender that the Taxes, Other Charges and utility service charges have been so paid or are not then delinquent. Subject to the rights under Section 3.3(b) below, Borrower shall not allow and shall promptly cause to be paid and discharged any lien or charge whatsoever which may be or become a lien or charge against the Property.

(b) After prior written notice to Lender, Borrower, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any of the Taxes or Other Charges, provided that (i) no Event of Default has occurred and is continuing under the Note, this Security Instrument or any of the Other Loan Documents, (ii) Borrower is permitted to do so under the provisions of any other mortgage, deed of trust or deed to secure debt affecting the Property, (iii) such proceeding shall suspend the collection of the Taxes or Other Charges from Borrower and from the Property or Borrower shall have bonded or insured over or paid all of the Taxes or Other Charges under protest, (iv) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which Borrower is subject and shall not constitute a default thereunder, (v) [intentionally deleted], (vi) Borrower shall have set aside and deposited with Lender adequate reserves for the payment of the Taxes, together with all interest and penalties thereon, unless Borrower has paid all of the Taxes or Other Charges under protest, and (vii) Borrower shall have furnished the security as may be required in the proceeding to insure the payment of any contested Taxes, together with all interest and penalties thereon.

Section 3.4 CONDEMNATION. Borrower shall, or cause Lessee to promptly give Lender notice of the actual or threatened commencement of any condemnation or eminent domain proceeding and shall deliver to Lender copies of any and all papers served in connection with such proceedings. In case of any condemnation award in excess of \$1,000,000.00, Lender may either (1) settle and adjust any such claim with the consent of Borrower (which consent shall not be unreasonably withheld, conditioned or delayed and shall not be required during the continuance of an Event of Default), or (2) allow Borrower to agree with the condemning authority on the amount of the award to be paid. Borrower has the sole right to agree with the condemning authority with regard to condemnation awards in any one instance aggregating not in excess of \$1,000,000.00 if Borrower acts in a competent and timely manner. While an Event

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of Default is continuing hereunder, Lender is hereby irrevocably appointed as Borrower's attorney-in-fact, coupled with an interest, with exclusive power to collect, receive and retain any award or payment for said condemnation or eminent domain and to make any compromise or settlement in connection with such proceeding, subject to the provisions of this Security Instrument. Notwithstanding any taking by any public or quasi-public authority through eminent domain or otherwise (including but not limited to any transfer made in lieu of or in anticipation of the exercise of such taking), Borrower shall continue to pay the Debt at the time and in the manner provided for its payment in the Note and in this Security Instrument and the Debt shall not be reduced until any award or payment therefor shall have been actually received and applied by Lender, after the deduction of expenses of collection, to the reduction or discharge of the Debt. Lender shall not be limited to the interest paid on the award by the condemning authority but shall be entitled to receive out of the award interest at the rate or rates provided herein or in the Note. Borrower shall cause the award or payment made in any condemnation or eminent domain proceeding, which is payable to Borrower, to be paid directly to Lender. Lender may apply any award or payment to the reduction or discharge of the Debt whether or not then due and payable (such application to be free from any prepayment consideration provided in the Note, except that if an Event of Default, or an event which with notice and/or the passage of time, or both, would constitute an Event of Default, has occurred, then such application shall be subject to the full prepayment consideration computed in accordance with the Note). If the Property is sold, through foreclosure or otherwise, prior to the receipt by Lender of the award or payment, Lender shall have the right, whether or not a deficiency judgment on the Note shall have been sought, recovered or denied, to receive the award or payment, or a portion thereof sufficient to pay the Debt. In the event of a condemnation of less than 10% (in terms of fair market value) of the Property which does not directly affect in any adverse material manner any of the buildings on the Property, if (A) in the reasonable judgment of Lender, the Property can be restored within nine (9) months after award or payment on account of such condemnation is made available to an economic unit not less valuable and not less useful than the same was prior to the condemnation, and after such restoration will adequately secure the outstanding balance of the Debt, (B) no Event of Default (hereinafter defined) shall have occurred and be then continuing, and (C) neither Borrower nor any tenant on the Property shall have terminated any lease because of such condemnation, then the proceeds of condemnation shall be applied by Lender to reimburse Borrower for the cost of restoring, repairing, replacing or rebuilding the Property or part thereof subject to condemnation in the manner specified for restoration following an Insured Casualty; and Borrower hereby covenants and agrees forthwith to commence and diligently to prosecute such restoring, repairing, replacing or rebuilding; provided, however, in any event Borrower shall pay all costs (and if required by Lender, Borrower shall deposit the total thereof with Lender in advance) of such restoring, repairing, replacing or rebuilding in excess of the net proceeds of condemnation made available pursuant to the terms hereof.

Section 3.5 USE AND MAINTENANCE OF PROPERTY. Borrower shall cause the Property to be maintained and operated in a good and safe condition and repair and in keeping with the condition and repair of properties of a similar use, value, age, nature and construction. Borrower shall not allow the Property to be used, maintained or operated in any manner which constitutes a public or private nuisance or which makes void, voidable, or cancelable, or increases the premium of, any insurance then in force with respect thereto. The Improvements and the Personal Property shall not be removed, demolished or materially altered (except for the

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restoration, which has been approved by Lender on or prior to the date hereof, of certain elements of the ground floor exterior of the building, including window replacement (the "**Approved Work**"), and normal replacement of the Personal Property with items of the same utility and of equal or greater value) without the prior written consent of Lender, which shall not be unreasonably withheld. Borrower shall, or shall cause Lessee to promptly repair, replace or rebuild any part of the Property which may be destroyed by any casualty to the extent that insurance proceeds are made available to Borrower, or any part of the Property that may become damaged, worn or dilapidated or which may be affected by any proceeding of the character referred to in Section 3.4 hereof and shall complete and pay for any structure at any time in the process of construction or repair on the Land. Borrower shall not and shall not permit Lessee to, without the prior written consent of Lender, initiate, join in, acquiesce in, or consent to any change in any private restrictive covenant, zoning law or other public or private restriction, limiting or defining the uses which may be made of the Property or any part thereof. If under applicable zoning provisions the use of all or any portion of the Property is or shall become a nonconforming use, neither Borrower nor Lessee will cause or permit the nonconforming use to be discontinued or abandoned without the express written consent of Lender. Borrower shall not take or permit Lessee to take any steps whatsoever to convert the Property, or any portion thereof, to a condominium or cooperative form of management.

Section 3.6 WASTE. Borrower shall not commit or suffer any waste of the Property or allow Lessee to commit or suffer any waste of the Property or, without first obtaining such additional insurance as may be necessary to cover a proposed change in use of the Property, make or allow Lessee to make any change in the use of the Property which will in any way materially increase the risk of fire or other hazard arising out of the operation of the Property, or take any action that might invalidate or give cause for cancellation of any Policy, or do or permit to be done thereon anything that may in any way impair the value of the Property or the security of this Security Instrument. Borrower will not, nor allow Lessee, without the prior written consent of Lender, permit any drilling or exploration for or extraction, removal, or production of any minerals from the surface or the subsurface of the Land, regardless of the depth thereof or the method of mining or extraction thereof.

Section 3.7 COMPLIANCE WITH LAWS; ALTERATIONS

(a) Borrower shall promptly comply with and cause Lessee to comply with all existing and future federal, state and local laws, orders, ordinances, governmental rules and regulations or court orders affecting the Property, or the use thereof, including, but not limited to, the Americans with Disabilities Act (the "**ADA**") (collectively "**Applicable Laws**").

(b) Notwithstanding any provisions set forth herein or in any document regarding Lender's approval of alterations of the Property, other than in the normal course of business and other than with respect to the Approved Work, Borrower shall not alter the Property (or allow Lessee to alter the Property) in any manner which would increase Borrower's (or, if applicable, Lessee's) responsibilities for compliance with Applicable Laws without the prior written approval of Lender, which approval shall not be unreasonably withheld or delayed. Lender's approval (which shall not be unreasonably withheld or delayed) of the plans, specifications, or working drawings for alterations of

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the Property shall create no responsibility or liability on behalf of Lender for their completeness, design, sufficiency or their compliance with Applicable Laws. The foregoing shall apply to tenant improvements constructed by Borrower or Lessee or by any of its tenants. Lender may condition any such approval upon receipt of a certificate of compliance with Applicable Laws from an independent architect, engineer, or other person reasonably acceptable to Lender.

(c) Borrower shall give prompt notice to Lender of the receipt by Borrower of any notice related to a violation of any Applicable Laws and of the commencement of any proceedings or investigations which relate to compliance with Applicable Laws.

(d) Borrower shall take appropriate measures to prevent and will not engage in or knowingly permit any illegal activities at the Property.

Section 3.8 BOOKS AND RECORDS.

(a) Borrower will keep and maintain or will cause to be kept and maintained on a Fiscal Year (hereinafter defined) basis, in accordance with GAAP (or such other accounting basis reasonably acceptable to Lender, at Borrower's election), proper and accurate books, records and accounts reflecting all of the financial affairs of Borrower and all items of income and expense in connection with the operation on an individual basis of the Property. Lender shall have the right from time to time at all times during normal business hours upon reasonable notice to examine such books, records and accounts at the office of Borrower or any other person or entity maintaining such books, records and accounts and to make such copies or extracts thereof as Lender shall desire. After the occurrence of an Event of Default, Borrower shall pay any reasonable costs and expenses incurred by Lender to examine Borrower's accounting records with respect to the Property, as Lender shall determine to be necessary or appropriate in the protection of Lender's interest. "Fiscal Year" shall mean each twelve (12) month period commencing on January 1 and ending on December 31 during the term of the Loan.

(b) Borrower will furnish to Lender annually, within ninety (90) days following the end of each Fiscal Year, a complete copy of Borrower's annual financial statements audited by a "Big Four" (hereinafter defined) accounting firm or other independent certified public accountant reasonably acceptable to Lender in accordance with GAAP (or such other accounting basis acceptable to Lender) covering the Property for such Fiscal Year and containing statements of profit and loss for Borrower and the Property and a balance sheet for Borrower. Such statements shall set forth the financial condition and the results of operations for the Property for such Fiscal Year. Borrower's annual financial statements shall be accompanied by (i) a comparison of the budgeted income and expenses and the actual income and expenses for the prior Fiscal Year, (ii) an Officer's Certificate (hereinafter defined) stating that each such annual financial statement presents fairly the financial condition and the results of operations of Borrower and the Property being reported upon and has been prepared in accordance with GAAP, (iii) an unqualified opinion of a "Big Four" accounting firm or other independent certified public accountant reasonably acceptable to Lender, (iv) a list of tenants, if any, occupying more than twenty (20%) percent of the total floor area of the Improvements and (v) a

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breakdown showing the year in which each Lease then in effect expires and the percentage of total floor area of the Improvements and the percentage of base rent with respect to which Leases shall expire in each such year, each such percentage to be expressed on both a per year and cumulative basis. Together with Borrower's annual financial statements, Borrower shall furnish to Lender a certificate which is signed by an authorized senior officer of the general partner or managing member of Borrower, as applicable, (an "**Officer's Certificate**"), certifying as of the date thereof whether there exists an event or circumstance which constitutes a Default or Event of Default under the Loan Documents executed and delivered by, or applicable to, Borrower, and if such Default or Event of Default exists, the nature thereof, the period of time it has existed and the action then being taken to remedy the same. "**Big Four**" shall mean any of the following accounting firms: (a) Deloitte & Touche LLP, (b) Ernst & Young LLP, (c) KPMG LLP and (d) PricewaterhouseCoopers LLP. Lender hereby accepts Virchow, Krause & Company as the selected independent certified public accountants (the "**Approved Accountants**").

(c) Borrower will furnish, or cause to be furnished, to Lender on or before thirty (30) days after the end of each calendar quarter the following items, accompanied by an Officer's Certificate or other appropriate officer of Borrower or SPE Principal, as applicable, stating that such items are true, correct, accurate, and complete and fairly present the financial condition and results of the operations of Borrower and the Property (subject to normal year-end adjustments): (i) a report of occupancy for the subject quarter, including an average daily rate, and any and all franchise inspection reports received by Borrower during the subject quarter; and (ii) monthly and year to date operating statements prepared for each calendar month during each such reporting period detailing the total revenues received, total expenses incurred, total costs of capital improvements, total debt service and total cash flow and other information necessary and sufficient to fairly represent the financial position and results of operation of the Property during such calendar quarter, and containing a comparison of budgeted income and expenses and the actual income and expenses together with a detailed explanation of any variances of fifteen percent (15%) or more between budgeted and actual amounts for such periods, all in a form reasonably satisfactory to Lender.

(d) For the partial year period commencing on the date hereof, and for each Fiscal Year thereafter, Borrower shall submit to Lender an annual budget for the Property not later than thirty (30) days prior to the commencement of such period or Fiscal Year (an "**Annual Budget**").

(e) Borrower shall furnish to Lender, within ten (10) Business Days after written request (but in no event more than three (3) times during any twelve (12) month period prior to Securitization and no more than one (1) time during any twelve (12) month period following Securitization), such further detailed information with respect to the operation of the Property and the financial affairs of Borrower as may be reasonably requested by Lender, including, without limitation, an annual operating budget for the Property.

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(f) Any reports, statements or other information required to be delivered under this Agreement shall be delivered (i) in paper form, and (ii) if requested by Lender and within the capabilities of Borrower's data systems without change or modification thereto, in electronic form and prepared using a Microsoft Word for Windows or WordPerfect for Windows files (which files may be prepared using a spreadsheet program and saved as word processing files).

(g) Borrower agrees that Lender may forward to each Investor (as defined below) or any Rating Agency rating such participations and/or Securities and each prospective Investor, and any organization maintaining databases on the underwriting and performance of commercial mortgage loans, all documents and information which Lender now has or may hereafter acquire relating to the Debt and to Borrower, any Guarantor, and the Property, whether furnished by Borrower, any Guarantor, or otherwise, as Lender determines necessary or desirable. Borrower irrevocably waives any and all rights it may have under any Applicable Laws to prohibit such disclosure, including, but not limited to, any right of privacy.

Section 3.9 PAYMENT FOR LABOR AND MATERIALS.

(a) Borrower will promptly pay when due and cause Lessee to promptly pay when due all bills and costs for labor, materials, and specifically fabricated materials incurred in connection with the Property and never permit to exist beyond the due date thereof in respect of the Property or any part thereof any lien or security interest, even though inferior to the liens and the security interests hereof, and in any event never permit to be created or exist in respect of the Property or any part thereof any other or additional lien or security interest other than the liens or security interests hereof, except for the Permitted Exceptions (as hereinafter defined).

(b) After prior written notice to Lender, Borrower or Lessee, at its own expense may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any of the bills and costs referred to in Section 3.9(a), provided that (i) no Event of Default has occurred and is continuing under the Note, this Security Instrument or any of the Other Loan Documents, (ii) Borrower is permitted to do so under the provisions of any other mortgage, deed of trust or deed to secure debt affecting the Property, (iii) such proceeding shall suspend the collection of such bills and costs from Borrower and from the Property or Borrower shall have paid all of such bills and costs under protest, (iv) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which Borrower is subject and shall not constitute a default thereunder, (v) neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, canceled or lost and (vi) Borrower shall have set aside and deposited with Lender adequate reserves or other security, reasonably satisfactory to Lender, for the payment of such bills and costs, together with all interest and penalties thereon, unless Borrower has paid all of such bills and costs under protest.

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Section 3.10 PERFORMANCE OF OTHER AGREEMENTS. Borrower shall observe and perform and cause Lessee to observe and perform each and every term to be observed or performed by Borrower or Lessee pursuant to the terms of any agreement or recorded instrument affecting or pertaining to the Property to which Borrower is a party, including, without limitation, the Operating Lease, or given by Borrower to Lender for the purpose of further securing an obligation secured hereby and any amendments, modifications or changes thereto. Borrower shall timely perform all of its obligations under any agreement or recorded instrument affecting or pertaining to the Property to which Borrower is a party, including, without limitation, the Operating Lease, shall enforce performance of all obligations thereunder and shall not permit the termination or amendment of such agreements or instruments without the prior written consent of Lender, which consent shall not be unreasonably withheld. Borrower shall not, without Lender's prior consent, which shall not be unreasonably withheld, enter into transactions (or knowingly allow Lessee to enter into the transactions) with any affiliate, including without limitation, any arrangement providing for the managing of the hotel located on the Property, the rendering or receipt of services or the purchase or sale of inventory, except any such transaction in the ordinary course of business of Borrower if the monetary or business consideration arising therefrom would be substantially as advantageous to Borrower as the monetary or business consideration that would obtain in a comparable transaction with a person not an affiliate of Borrower.

Section 3.11 MANAGEMENT. Borrower further covenants and agrees with Lender as follows:

(a) Borrower shall cause the Lessee to cause the hotel located on the Property to be operated in all material respects pursuant to the Franchise Agreement (as hereinafter defined) and the Management Agreement (as hereinafter defined).

(b) Borrower covenants and agrees that it shall (or, if applicable, Borrower shall cause the Lessee to):

(i) promptly perform and/or observe all of the covenants and agreements required to be performed and observed by it under the Franchise Agreement and the Management Agreement and do all things necessary to preserve and to keep unimpaired its material rights thereunder;

(ii) promptly notify Lender of any default under the Franchise Agreement or the Management Agreement of which it is aware;

(iii) promptly deliver to Lender a copy of each financial statement, business plan, capital expenditures plan, notice, report and estimate received by Lessee under the Franchise Agreement or the Management Agreement; and

(iv) promptly enforce the performance and observance of all of the covenants and agreements required to be performed and/or observed by (aa) Hard Rock Café International (USA), Inc., a Florida corporation (the "**Hard Rock Franchisor**") under the Hard Rock Franchise Agreement, (bb) Preferred Hotel Group, Inc., a Delaware corporation (the "**Preferred Franchisor**") under the

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Preferred Franchise Agreement, and, if applicable, (cc) the Approved Franchisor, as defined below, (the Hard Rock Franchisor and Preferred Franchisor (and, if applicable, the Approved Franchisor) collectively the "**Franchisor**") and BLM-Chicago, LLC, a Michigan limited liability company (the "**Property Manager**") under the Management Agreement.

(c) Borrower consents and agrees that it shall not allow the Lessee to do the following, without Lender's prior written reasonable consent:

(i) surrender, terminate or cancel the Franchise Agreement or the Management Agreement;

(ii) reduce or consent to the reduction of the term of the Franchise Agreement (or any successor franchise agreement) or the Management Agreement;

(iii) increase or consent to the increase of the amount of any charges under the Franchise Agreement (or any successor franchise agreement) or the Management Agreement; or

(iv) otherwise modify, change, supplement, alter or amend, or waive or release any of its rights and remedies under, the Franchise Agreement (or any successor franchise agreement) or the Management Agreement in any material respect.

Notwithstanding anything to the contrary contained in Sections 3.11(c)(i) through (iv) above, Lender and Borrower consent and agree that Lessee shall have the right to terminate the Hard Rock Franchise Agreement, in accordance with the terms of the Hard Rock Franchise Agreement so long as Borrower causes Lessee, before terminating the Hard Rock Franchise Agreement, to notify Lender of its intention to do so and agrees to provide an Approved Franchisor, which shall serve to replace the Hard Rock Franchisor. "**Approved Franchisor**" shall mean the owner, or its designated franchisor, of the following nationally branded chains of full service, hotels: Le Meridien, Westin, Millennium, W, Inter-Continental Hotels & Resorts, Loews Hotels, Marriott Hotels & Resorts, Hilton Hotels & Resorts, and Sheraton, to serve as a replacement for the Hard Rock Franchisor, provided, however, that Approved Franchisor (i) is not, including its affiliates, the subject of a bankruptcy or similar insolvency proceeding and (ii) agrees to enter into both (aa) a franchise agreement and (bb) a comfort letter or three party agreement with Lender, each of which shall be on terms reasonably acceptable to Lender.

(d) Borrower shall cause the Lessee to maintain the Management Agreement for the operation of the Property in full force and effect and timely perform all of Lessee's obligations thereunder and enforce performance of all obligations of the Property Manager thereunder, and not permit the termination or amendment of such Management Agreement unless the prior written reasonable consent of Lender is first

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obtained. Borrower will cause the Property Manager to enter into an assignment and subordination of such Management Agreement in form satisfactory to Lender, assigning and subordinating the Property Manager's interest in the Property and all fees and other rights of the Property Manager pursuant to such Management Agreement to the rights of Lender.

Section 3.12 LESSEE SPE PRINCIPAL PAYMENTS TO CHEVRON.

(a) Borrower shall cause Lessee SPE Principal (as defined below) to pay any and all future obligations, fees and/or moneys (specifically including, but not limited to, the "Asset Management Fee" and "Priority Return" as such terms are defined in Lessee's Operating Agreement) due to Chevron TCI, Inc., a California corporation, its successors and assigns (collectively, "Chevron") promptly upon receipt of notice of such obligations (whether or not such sums are then due and payable in accordance with the Lessee's Operating Agreement), and shall provide Lender evidence of Chevron's receipt of such payment.

(b) After prior written notice to Lender, Borrower or Lessee, at its own expense may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any of the obligations, fees and/or moneys due Chevron referred to in Section 3.12(a), provided that (i) no Event of Default has occurred and is continuing under the Note, this Security Instrument or any of the Other Loan Documents, (ii) Borrower is permitted to do so under the provisions of any other mortgage, deed of trust or deed to secure debt affecting the Property, (iii) such proceeding shall suspend the collection of such obligations, fees and/or moneys due Chevron and/or moneys due Chevron under protest, (iv) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which Borrower and/or Lessee SPE Principal is subject and shall not constitute a default hereunder, (v) neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, canceled or lost and (vi) Borrower shall cause Lessee SPE Principal to set aside and deposit with Lender adequate reserves or other security, reasonably satisfactory to Lender, for the payment of such obligations, fees and/or moneys due Chevron, together with all interest and penalties thereon, unless Lessee SPE Principal has paid all of such obligations, fees and/or moneys due Chevron under protest.

ARTICLE 4 - SPECIAL COVENANTS

Borrower covenants and agrees that:

Section 4.1 PROPERTY USE. The Property shall be used only for a full service hotel and for uses incidental thereto, and for no other use without the prior written consent of Lender, which consent may be withheld in Lender's reasonable discretion.

Section 4.2 ERISA.

(a) It shall not engage in any transaction which would cause any obligation, or action taken or to be taken, hereunder (or the exercise by Lender of any of its rights under

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the Note, this Security Instrument and the Other Loan Documents) to be a non-exempt (under a statutory or administrative class exemption) prohibited transaction under the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**").

(b) During the term of the Loan or any obligation or right hereunder, Borrower shall not be a Plan (hereinafter defined) and none of the assets of Borrower shall constitute assets of a Plan within the meaning of Section 29 C.F.R. §2510.3-101, as modified by Section 3(42) of ERISA ("**Plan Assets**"). It shall deliver to Lender such certifications or other evidence from time to time throughout the term of the Security Instrument, as reasonably requested by Lender that (i) Borrower is not a Plan or a "governmental plan" within the meaning of Section 3(32) of ERISA; (ii) Borrower is not subject to state statutes regulating investments and fiduciary obligations with respect to governmental plans; and (iii) one or more of the following circumstances is true:

(i) Equity interests in Borrower are publicly offered securities, within the meaning of 29 C.F.R. § 2510.3-101(b)(2);

(ii) None of the assets of Borrower are, with the application of 29 C.F.R. §2510.3-101, as modified by Section 3(42) of ERISA, regarded as assets of any Plan; or

(iii) Borrower qualifies as an "operating company" or a "real estate operating company" within the meaning of 29 C.F.R. § 2510.3-101(c) or (e) or an investment company registered under The Investment Company Act of 1940.

"**Plan**" shall mean an employee benefit plan (as defined in Section 3(3) of ERISA) subject to Title I of ERISA or a plan or other arrangement (within the meaning of Section 4975 of the Internal Revenue Code of 1986 as amended (the "**Code**"), and the related Treasury Department regulations, including temporary regulations) subject to Section 4975 of the Code.

Section 4.3 SINGLE PURPOSE ENTITY. (1) Borrower covenants and agrees that it has not and shall not as long as any Obligations are outstanding:

(a) engage in any business or activity other than the acquisition, ownership, operation and maintenance of the Property, and activities incidental thereto;

(b) acquire or own any material asset other than (i) the Property, (ii) its interest in the Operating Lease and HTC Pass-Through Agreement, and (iii) such incidental Personal Property as may be necessary for the operation of the Property;

(c) merge into or consolidate with any person or entity or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without in each case Lender's consent;

(d) fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its organization

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or formation, or without the prior written consent of Lender, amend, modify, terminate or fail to comply with the provisions of Borrower's Partnership Agreement, Articles or Certificate of Incorporation, Articles of Organization, Operating Agreement or similar organizational documents, as the case may be;

(e) own any subsidiary or make any investment in or acquire the obligations or securities of any other person or entity without the consent of Lender;

(f) commingle its assets with the assets of any of its partner(s), members, shareholders, affiliates, or of any other person or entity or transfer any assets to any such person or entity other than distributions on account of equity interests in the Borrower permitted hereunder and properly accounted for;

(g) incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than the Debt, except (i) unsecured trade and operational debt incurred with trade creditors in the ordinary course of its business of owning and operating the Property in such amounts as are normal and reasonable under the circumstances, provided that such debt is not evidenced by a note and is paid when due and provided in any event the outstanding principal balance of such debt shall not exceed at any one time one percent (1%) of the outstanding Debt.

(h) allow any person or entity to pay its debts and liabilities (except a Guarantor) or fail to pay its debts and liabilities solely from its own assets;

(i) fail to maintain its records, books of account and bank accounts separate and apart from those of the members, principals and affiliates of Borrower, the affiliates of the members of the Borrower and any other person or entity or fail to prepare and maintain its own financial statements in accordance with generally accepted accounting principles (provided such financial statements may be included in the statements of a parent entity) and susceptible to audit or, if such financial statements are consolidated, fail to cause such financial statements to contain footnotes disclosing that the Property is actually owned by the Borrower;

(j) enter into any contract or agreement with any shareholder, partner, member, principal or affiliate of Borrower, any guarantor of all or a portion of the Debt (a "**Guarantor**") or any shareholder, partner, member, principal or affiliate thereof, except upon terms and conditions that are commercially reasonable and contain terms that are no less favorable than those that would be available on an arms-length basis with third parties other than any shareholder, partner, member, principal or affiliate of Borrower or Guarantor, or any shareholder, partner, member, principal or affiliate thereof;

(k) seek dissolution or winding up in whole, or in part;

(l) fail to use commercially reasonable efforts to correct any known misunderstandings regarding the separate identity of Borrower;

(m) except as contemplated by the Loan Documents, guarantee or become obligated for the debts of any other entity or person or, hold itself out to be responsible or

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pledge its assets or credit worthiness for the debts of another person or entity or allow any person or entity to hold itself out to be responsible or pledge its assets or credit worthiness for the debts of the Borrower (except for a Guarantor or Indemnitor);

(n) make any loans or advances to any third party, including any shareholder, partner, member, principal or affiliate of Borrower, or any shareholder, partner, member, principal or affiliate thereof;

(o) fail to file its own tax returns (if required by the Internal Revenue Service) or to use separate contracts, purchase orders, stationery, invoices and checks;

(p) fail either to hold itself out to the public as a legal entity separate and distinct from any other entity or person or to conduct its business solely in its own name in order not (i) to mislead others as to the entity with which such other party is transacting business, or (ii) to suggest that Borrower is responsible for the debts of any third party (including any shareholder, partner, member, principal or affiliate of Borrower, or any shareholder, partner, member, principal or affiliate thereof);

(q) fail to allocate fairly and reasonably among Borrower and any third party (including, without limitation, any Guarantor) any shared expenses, including, without limitation, any overhead for common employees, shared office space or other overhead and administrative expenses;

(r) allow any person or entity to pay the salaries of its own employees or fail to maintain a sufficient number of employees for its contemplated business operations;

(s) fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(t) file a voluntary petition or otherwise initiate proceedings to have the Borrower or any general partner or managing member adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against the Borrower or any general partner or managing member, or file a petition seeking or consenting to reorganization or relief of the Borrower or any general partner or managing member as debtor under any applicable federal or state law relating to bankruptcy, insolvency, or other relief for debtors with respect to the Borrower or any general partner or managing member; or seek or consent to the appointment of any trustee, receiver, conservator, assignee, sequestrator, custodian, liquidator (or other similar official) of the Borrower or any general partner or managing member or of all or any substantial part of the properties and assets of the Borrower or any general partner or managing member, or make any general assignment for the benefit of creditors of the Borrower or any general partner or managing member, or admit in writing the inability of the Borrower or any general partner or managing member to pay its debts generally as they become due or declare or effect a moratorium on the Borrower or any general partner or managing member debt or take any action in furtherance of any such action;

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(u) except as contemplated by the Franchise Agreement, share any common logo with or hold itself out as or be considered as a department or division of (A) any member, principal, or affiliate of Borrower, (B) any affiliate of a member of Borrower, or (C) any other person or entity or allow any person or entity to identify the Borrower as a department or division of that person or entity;

(v) conceal assets from any creditor, or enter into any transaction with the intent to hinder, delay or defraud creditors of the Borrower or the creditors of any other person or entity;

(w) fail to provide in its (i) Articles of Organization, Certificate of Formation and/or Operating Agreement, as applicable, if it is a limited liability company, (ii) Limited Partnership Agreement, if it is a limited partnership or (iii) Certificate of Incorporation, if it is a corporation, that for so long as the Loan is outstanding pursuant to the Note, this Security Instrument and the Other Loan Documents, it shall not file or consent to the filing of any petition, either voluntary or involuntary, to take advantage of any applicable insolvency, bankruptcy, liquidation or reorganization statute, or make an assignment for the benefit of creditors without the affirmative vote of each of the Independent Managers and of all other general partners/managing members/directors;

(x) fail to hold its assets in its own name;

(y) if Borrower is a corporation, fail to consider the interests of its creditors in connection with all corporate actions to the extent permitted by Applicable Law; or

(z) have any of its obligations guaranteed by an affiliate except the Guarantor in connection with the Loan.

(2) If Borrower is a limited partnership or a limited liability company (other than a Delaware limited liability company that complies with the requirements set forth in Section 4.3(4) below), its sole general partner or managing member (the "**SPE Principal**"), as applicable, is and shall be at all times a corporation whose sole asset is its interest in Borrower and such SPE Principal of Borrower will at all times comply, and will cause Borrower to comply, with each of the covenants, terms and provisions contained in Section 4.3(1) as if such representation, warranty or covenant was made directly by such SPE Principal. The SPE Principal or Borrower (if Borrower is a single member limited liability company that complies with the requirements of Section 4.3(4) below) shall not fail at any time to have at least one (1) independent manager or director (either, an "**Independent Manager**" or an "**Independent Director**") who is not at the time of initial appointment and has not been at any time during the preceding five (5) years: (a) a stockholder, director, officer, employee, partner or member of the Borrower, Lessee, the SPE Principal, the Lessee SPE Principal (as defined below) or any affiliate of any of them; (b) a customer, supplier or other person who purchases any goods or services from or derives any revenues from its activities with the Borrower, Lessee, the SPE Principal, the Lessee SPE Principal or any affiliate of any of them; (c) a person or other entity controlling or under common control with any such stockholder, member, partner, customer, supplier or other person; (d) an attorney or counsel to the Borrower, Lessee, the SPE Principal, the Lessee SPE Principal or any of their affiliates or (e) a member of the immediate family of any such stockholder,

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director, officer, employee, member, partner, customer, supplier or other person. As used in this Security Instrument, the term "**affiliate**" or "**Affiliate**" means any person controlling, under common control with, or controlled by the person in question, and the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of management, policies or activities of a person or entity, whether through ownership of voting securities, by contract or otherwise.

(3) With respect to SPE Principal, or if Borrower is a single member limited liability company that complies with the requirements of Section 4.3(4) below, Borrower covenants and agrees that neither it nor its SPE Principal, as applicable, has permitted nor shall permit its board of directors to take any action which, under the terms of any certificate of incorporation, by-laws, voting trust agreement with respect to any common stock or other applicable organizational documents, requires the unanimous vote of one hundred percent (100%) of the members of the board without the vote of its Independent Manager.

(4) In the event Borrower is a Delaware limited liability company that does not have a managing member which complies with the requirements for an SPE Principal under this Section 4.3, the limited liability company agreement of Borrower (the "**LLC Agreement**") shall provide that (A) upon the occurrence of any event that causes the last remaining member of Borrower ("**Member**") to cease to be the member of Borrower (other than (1) upon an assignment by Member of all of its limited liability company interest in Borrower and the admission of the transferee in accordance with the Loan Documents and the LLC Agreement, or (2) the resignation of Member and the admission of an additional member of Borrower in accordance with the terms of the Loan Documents and the LLC Agreement), any person acting as Independent Manager of Borrower shall, without any action of any other person or entity and simultaneously with the Member ceasing to be the member of Borrower, automatically be admitted to Borrower ("**Special Member**") and shall continue Borrower without dissolution and (B) Special Member may not resign from Borrower or transfer its rights as Special Member unless (1) a successor Special Member has been admitted to Borrower as Special Member in accordance with requirements of Delaware law and (2) such successor Special Member has also accepted its appointment as an Independent Manager. The LLC Agreement shall further provide that (v) Special Member shall automatically cease to be a member of Borrower upon the admission to Borrower of a substitute Member, (w) Special Member shall be a member of Borrower that has no interest in the profits, losses and capital of Borrower and has no right to receive any distributions of Borrower assets, (x) pursuant to Section 18-301 of the Delaware Limited Liability Company Act (the "**Act**"), Special Member shall not be required to make any capital contributions to Borrower and shall not receive a limited liability company interest in Borrower, (y) Special Member, in its capacity as Special Member, may not bind Borrower and (z) except as required by any mandatory provision of the Act, Special Member, in its capacity as Special Member, shall have no right to vote on, approve or otherwise consent to any action by, or matter relating to, Borrower, including, without limitation, the merger, consolidation or conversion of Borrower; provided, however, such prohibition shall not limit the obligations of Special Member, in its capacity as Independent Manager, to vote on such matters required by the LLC Agreement. In order to implement the admission to Borrower of Special Member, Special Member shall execute a counterpart to the Borrower's LLC Agreement. Prior to its admission to Borrower as Special Member, Special Member shall not be a member of Borrower.

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Upon the occurrence of any event that causes the Member to cease to be a member of Borrower, to the fullest extent permitted by law, the personal representative of Member shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of Member in Borrower, agree in writing (A) to continue Borrower and (B) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of Borrower, effective as of the occurrence of the event that terminated the continued membership of Member of Borrower in Borrower. Any action initiated by or brought against Member or Special Member under any Creditors Rights Laws (defined below) shall not cause Member or Special Member to cease to be a member of Borrower and upon the occurrence of such an event, the business of Borrower shall continue without dissolution. The LLC Agreement shall provide that each of Member and Special Member waives any right it might have to agree in writing to dissolve Borrower upon the occurrence of any action initiated by or brought against Member or Special Member under any Creditors Rights Laws, or the occurrence of an event that causes Member or Special Member to cease to be a member of Borrower. The term "**Creditors Rights Laws**" shall mean with respect to any person or entity any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, conservatorship, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to its debts or debtors.

(5) Borrower covenants and agrees that Lessee has not and shall not as long as any Obligations are outstanding:

(a) engage in any business or activity other than the acquisition, ownership, operation and maintenance of its leasehold interest in the Property, and activities incidental thereto;

(b) acquire or own any material asset other than (i) its leasehold interest in the Property, and (ii) such incidental personal property as may be necessary for the operation of the Property;

(c) merge into or consolidate with any person or entity or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without in each case Lender's consent;

(d) fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its organization or formation, or without the prior written consent of Lender, amend, modify, terminate or fail to comply with the provisions of Lessee's Partnership Agreement, Articles or Certificate of Incorporation, Articles of Organization, Operating Agreement or similar organizational documents, as the case may be, specifically including the requirements to maintain the "Lloyd's Documents" (as such term is defined in Lessee's Operating Agreement) in accordance with the Lessee's Operating Agreement;

(e) own any subsidiary or make any investment in or acquire the obligations or securities of any other person or entity without the consent of Lender;

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(f) commingle its assets with the assets of any of its partner(s), members, shareholders, affiliates, or of any other person or entity or transfer any assets to any such person or entity other than distributions on account of equity interests in the Lessee permitted hereunder and properly accounted for;

(g) incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), except (i) unsecured trade and operational debt incurred with trade creditors in the ordinary course of its business of owning and operating the Property in such amounts as are normal and reasonable under the circumstances, provided that such debt is not evidenced by a note and is paid when due and provided in any event the outstanding principal balance of such debt shall not exceed at any one time one percent (1%) of the outstanding Debt and (ii) the Permitted Lessee Indebtedness (hereinafter defined). For purposes of this Section 4.3, "**Permitted Lessee Indebtedness**" shall mean that certain unsecured loan from Lessee SPE Principal (as defined below) to Lessee in the amount of \$2,639,568.00 evidenced by that certain Unsecured Promissory Note (the "**Permitted Lessee Indebtedness Promissory Note**") from Lessee payable to Lessee SPE Principal dated as of even date hereof;

(h) allow any person or entity to pay its debts and liabilities or fail to pay its debts and liabilities solely from its own assets;

(i) fail to maintain its records, books of account and bank accounts separate and apart from those of the members, principals and affiliates of Lessee, the affiliates of members of Lessee, and any other person or entity or fail to prepare and maintain its own financial statements in accordance with generally accepted accounting principles (provided such financial statements may be included in the statements of a parent entity) and susceptible to audit, or if such financial statements are consolidated fail to cause such financial statements to contain footnotes disclosing that the Property is actually owned by the Lessee;

(j) enter into any contract or agreement with any shareholder, partner, member, principal or affiliate of Lessee, any Guarantor or any shareholder, partner, member, principal or affiliate thereof, except upon terms and conditions that are commercially reasonable and contain terms that are no less favorable than those that would be available on an arms-length basis with third parties other than any shareholder, partner, member, principal or affiliate of Lessee or Guarantor, or any shareholder, partner, member, principal or affiliate thereof;

(k) seek dissolution or winding up, in whole or in part;

(l) fail to use commercially reasonable efforts to correct any known misunderstandings regarding the separate identity of Lessee;

(m) except as contemplated by the Loan Documents, guarantee or become obligated for the debts of any other entity or person or hold itself out to be responsible or pledge its assets or credit worthiness for the debts of another person or entity or allow any

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person or entity to hold itself out to be responsible or pledge its assets or credit worthiness for the debts of the Lessee;

(n) make any loans or advances to any third party, including any shareholder, partner, member, principal or affiliate of Lessee, or any shareholder, partner, member, principal or affiliate thereof;

(o) fail to file its own tax returns (if required by the Internal Revenue Service) or to use separate contracts, purchase orders, stationery, invoices and checks;

(p) fail either to hold itself out to the public as a legal entity separate and distinct from any other entity or person or to conduct its business solely in its own name in order not (i) to mislead others as to the entity with which such other party is transacting business, or (ii) to suggest that Lessee is responsible for the debts of any third party (including any shareholder, partner, member, principal or affiliate of Lessee, or any shareholder, partner, member, principal or affiliate thereof);

(q) fail to allocate fairly and reasonably among Lessee and any third party any shared expenses, including, without limitation, any overhead for common employees, shared office space or other overhead and administrative expenses;

(r) allow any person or entity to pay the salaries of its own employees or fail to maintain a sufficient number of employees for its contemplated business operations;

(s) fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(t) file a voluntary petition or otherwise initiate proceedings to have the Lessee or any general partner, manager or managing member of Lessee adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against the Lessee or any general partner, manager or managing member of Lessee, or file a petition seeking or consenting to reorganization or relief of the Lessee or any general partner, manager or managing member of Lessee as debtor under any applicable federal or state law relating to bankruptcy, insolvency, or other relief for debtors with respect to the Lessee or any general partner, manager or managing member of Lessee; or seek or consent to the appointment of any trustee, receiver, conservator, assignee, sequestrator, custodian, liquidator (or other similar official) of the Lessee or any general partner, manager or managing member of Lessee or of all or any substantial part of the properties and assets of the Lessee or any general partner, manager or managing member of Lessee, or make any general assignment for the benefit of creditors of the Lessee or any general partner, manager or managing member of Lessee, or admit in writing the inability of the Lessee or any general partner, manager or managing member of Lessee to pay its debts generally as they become due or declare or effect a moratorium on the Lessee or any general partner, manager or managing member of Lessee debt or take any action in furtherance of any such action;

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(u) except as contemplated by the Franchise Agreement, share any common logo with or hold itself out as or be considered as a department or division of (i) any principal, member or affiliate of Lessee, (ii) any affiliate of a principal or member of Lessee, or (iii) any other person or entity or allow any person or entity to identify the Lessee as a department or division of that person or entity;

(v) conceal assets from any creditor, or enter into any transaction with the intent to hinder, delay or defraud creditors of the Lessee or the creditors of any other person or entity;

(w) fail to hold its assets in its own name;

(6) Borrower shall cause 230 N. Michigan, LLC, an Illinois limited liability company (the "**Lessee SPE Principal**") (which Lessee SPE Principal must comply with Article 8 below) to (a) be the sole managing member of the Lessee at all times, whose sole assets are its interests in Lessee and HRH (Chicago) Development LLC, an Illinois limited liability company and (b) cause Lessee to comply with each of the covenants, terms and provisions contained in Section 4.3(5) as if such representation, warranty or covenant was made directly by such Lessee SPE Principal.

ARTICLE 5 - REPRESENTATIONS AND WARRANTIES

Section 5.1 BORROWER'S REPRESENTATIONS. Borrower represents and warrants to Lender that each of the representations and warranties set forth in that certain Closing Certificate of even date herewith executed by Borrower in favor of Lender are true and correct as of the date hereof and are hereby incorporated and restated in this Security Instrument by this reference.

Section 5.2 WARRANTY OF TITLE. Borrower represents and warrants that it has good and marketable title to the Property and has the right to grant, bargain, sell, pledge, assign, warrant, transfer and convey the same and that Borrower possesses an unencumbered fee simple absolute estate in the Land and the Improvements and that it owns the Property free and clear of all liens, encumbrances and charges whatsoever except for the Leases and those exceptions shown in the title insurance policy insuring the lien of this Security Instrument (the "**Permitted Exceptions**"). Borrower shall, at its sole cost and expense, forever warrant, defend and preserve the title and the validity and priority of the lien of this Security Instrument and shall, at its sole cost and expense, forever warrant and defend the same to Lender against the claims of all persons whomsoever.

Section 5.3 STATUS OF PROPERTY.

(a) No portion of the Improvements is located in an area identified by the Secretary of Housing and Urban Development or any successor thereto as an area having special flood hazards pursuant to the National Flood Insurance Act of 1968 or the Flood Disaster Protection Act of 1973, as amended, or any successor law, or, if located within any such area, Borrower has obtained and will maintain the insurance prescribed in Section 3.2 hereof.

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(b) Borrower has obtained all necessary certificates, permits, certificates of incorporation, licenses and other approvals, governmental and otherwise, necessary for the use, occupancy and operation of the Property and the conduct of the business as a hotel (including, without limitation, any applicable liquor license, certificates of completion and certificates of occupancy) and all required zoning, building code, land use, environmental and other similar permits or approvals, all of which are in full force and effect as of the date hereof and not subject to revocation, suspension, forfeiture or modification (collectively, the "Licenses").

(c) The Property and the present and contemplated use and occupancy thereof are to the best knowledge of Borrower in full compliance with all Applicable Laws, including, without limitation, zoning ordinances, building codes, land use and environmental laws, laws relating to the disabled (including, but not limited to, the ADA) and other similar laws.

(d) The Property is served by all utilities required for the current or contemplated use thereof. All utility service is provided by public utilities and the Property has accepted or is equipped to accept such utility service.

(e) All public roads and streets necessary for service of and access to the Property for the current or contemplated use thereof have been completed, are serviceable and are physically and legally open for use by the public, except for closings required by the city from time to time.

(f) The Property is served by public water and sewer systems.

(g) The Property is free from damage caused by fire or other casualty. There is no pending or, to the best knowledge of Borrower, threatened condemnation proceedings affecting the Property or any portion thereof.

(h) All costs and expenses of any and all labor, materials, supplies and equipment used in the construction of the Improvements have been paid in full (or will be paid in full with proceeds of the Loan (as hereinafter defined)) and no notice of any mechanics' or materialmen's liens or of any claims of right to any such liens have been received.

(i) Borrower has paid in full for, and is the owner of, all furnishings, fixtures and equipment (other than tenants' property) used in connection with the operation of the Property, free and clear of any and all security interests, liens or encumbrances, except the lien and security interest created hereby and except for any equipment leases which will be paid off with the Loan proceeds.

(j) All liquid and solid waste disposal, septic and sewer systems located on the Property are to the best knowledge of Borrower in a good and safe condition and repair and in compliance with all Applicable Laws.

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(k) All Improvements lie within the boundary of the Land, except as disclosed on the ALTA/ACSM Land Title Survey (the "**Survey**") dated February 21, 2007 prepared by Chicago Guarantee Survey Company.

Section 5.4 NO FOREIGN PERSON. Borrower is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended, and the related Treasury Department regulations, including temporary regulations.

Section 5.5 SEPARATE TAX LOT. The Property is assessed for real estate tax purposes as one or more wholly independent tax lot or lots, separate from any adjoining land or improvements not constituting a part of such lot or lots, and no other land or improvements is assessed and taxed together with the Property or any portion thereof.

Section 5.6 FRANCHISE AGREEMENT. Both (a) the License Agreement dated June 28, 2001 (the "**Hard Rock Franchise Agreement**"), between Lessee and Hard Rock Franchisor pursuant to which Lessee has the right to operate the hotel located on the Property under a name and/or hotel system controlled by the Hard Rock Franchisor and (b) the Preferred Hotel Group Contract in USD for Hard Rock Hotel Chicago dated July 20, 2005 (the "**Preferred Franchise Agreement**") between Lessee and Preferred Franchisor, pursuant to which Lessee has the right to utilize the hotel booking/reservation system controlled by Preferred Franchisor for the hotel located on the Property, (the Hard Rock Franchise Agreement and the Preferred Franchise Agreement collectively the "**Franchise Agreement**"), are in full force and effect and, to Borrower's knowledge, there are no defaults, breaches or violations existing thereunder by any party thereto and no event has occurred (other than payments due but not yet delinquent) that, with the passage of time or the giving of notice, or both, would constitute a default, breach or violation by any of the parties thereunder.

Section 5.7 MANAGEMENT AGREEMENT. That certain Hotel Management and Technical Consulting Services Agreement dated October 25, 2001, between Lessee and HRH Management (Chicago) LLC, an Illinois limited liability company ("**HRH Management**"), as assigned to Lifestar Hotels, LLC, a Delaware limited liability company ("**Lifestar**"), pursuant to that certain Assignment and Assumption of Hotel Management and Technical Consulting Services Agreement dated June 17, 2003 between HRH Management and Lifestar, as assigned to Property Manager pursuant to that certain Assignment and Assumption of Hotel Management and Technical Consulting Services Agreement dated June 30, 2005, between Lifestar, HRH Management, Lessee, Property Manager and Becker- HRHC, LLC, a Michigan limited liability company (collectively, the "**Management Agreement**"), pursuant to which the Property Manager operates the Property as a hotel, is in full force and effect and, to Borrower's knowledge, there is no default, breach or violation existing thereunder by any party thereto and no event has occurred (other than payments due but not yet delinquent) that, with the passage of time or the giving of notice, or both, would constitute a default, breach or violation by any party thereunder.

Section 5.8 VALIDITY OF AGREEMENTS. Neither the execution and delivery of the Loan Documents, the Borrower's performance thereunder, the Lessee's performance under any Loan Document to which it is a party, the recordation of this Security Instrument, nor the

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exercise of any remedies under this Security Instrument, will adversely affect Borrower's rights under any of the Licenses.

Section 5.9 ILLEGAL ACTIVITY. No portion of the Property has been or will be purchased with proceeds of any illegal activity and to the best of Borrower's knowledge, there are no illegal activities or activities relating to any controlled substances at the Property.

Section 5.10 NO CHANGE IN FACTS OR CIRCUMSTANCES; DISCLOSURE. All information submitted by Borrower to Lender and in all financial statements, rent rolls, reports, certificates and other documents submitted in connection with the Loan or in satisfaction of the terms thereof and all statements of fact made by Borrower in this Security Instrument or in any Other Loan Document, are accurate, complete and correct in all material respects. There has been no material adverse change in any condition, fact, circumstance or event that would make any such information inaccurate, incomplete or otherwise misleading in any material respect or that otherwise materially and adversely affects or might materially and adversely affect the use, operation or value of the Property or the business operations or the financial condition of Borrower. Borrower, to its knowledge, has disclosed to Lender all material facts regarding the Property and has not failed to disclose any material fact that could cause any provided information or representation or warranty made herein to be materially misleading.

Section 5.11 INVESTMENT COMPANY ACT. Borrower is not (a) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; (b) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (c) subject to any other federal or State law or regulation which purports to restrict or regulate its ability to borrow money.

Section 5.12 EMBARGOED PERSON. As of the date hereof and at all times throughout the term of the Loan, including after giving effect to any Transfers permitted pursuant to the Loan Documents, (a) none of the funds or other assets of Borrower, SPE Principal and Guarantor constitute property of, or are beneficially owned, directly or indirectly, by any person, entity or government subject to trade restrictions under U.S. law including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. § 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder with the result that the investment in Borrower, SPE Principal, or Guarantor, as applicable (whether directly or indirectly), is prohibited by law or the Loan made by the Lender is in violation of law ("**Embargoed Person**"); (b) no Embargoed Person has any interest of any nature whatsoever in Borrower, SPE Principal, or Guarantor, as applicable, with the result that the investment in Borrower, SPE Principal, or Guarantor, as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of law; and (c) none of the funds of Borrower, SPE Principal, or Guarantor, as applicable, have been derived from any unlawful activity with the result that the investment in Borrower, SPE Principal, or Guarantor, as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of law

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Section 5.13 OFAC. Borrower represents and warrants that neither Borrower, Guarantor, or any of their respective affiliates is a Prohibited Person (defined below), and Borrower, Guarantor, and their respective affiliates are in full compliance with all applicable orders, rules, regulations and recommendations of The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"Prohibited Person" shall mean any person or entity:

- (a) listed in the Annex to, or otherwise subject to the provisions of, the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the "**Executive Order**");
- (b) that is owned or controlled by, or acting for or on behalf of, any person or entity that is listed to the Annex to, or is otherwise subject to the provisions of, the Executive Order;
- (c) with whom Lender is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering law, including the Executive Order;
- (d) who commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order;
- (e) that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <http://www.treas.gov/ofac/t11sdn.pdf> or at any replacement website or other replacement official publication of such list; or
- (f) who is an Affiliate of or affiliated with a person or entity listed above.

Section 5.14 FEDERAL RESERVE REGULATIONS. No part of the proceeds of the Loan will be used for the purpose of purchasing or acquiring any "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or for any other purpose which would be inconsistent with such Regulation U or any other Regulations of such Board of Governors, or for any purposes prohibited by Legal Requirements or by the terms and conditions of this Agreement, the Security Instrument, the Note or the Other Security Documents.

Section 5.15 FRAUDULENT CONVEYANCE. Borrower (a) has not entered into the Loan or any Loan Document with the actual intent to hinder, delay, or defraud any creditor and (b) has received reasonably equivalent value in exchange for its obligations under the Loan Documents. To the best knowledge of Borrower, giving effect to the Loan, the fair saleable value of Borrower's assets exceeds and will, immediately following the execution and delivery of the Loan Documents, exceed Borrower's total liabilities, including, without limitation, subordinated, unliquidated, disputed or contingent liabilities. To the best knowledge of Borrower, the fair saleable value of Borrower's assets is and will, immediately following the execution and delivery of the Loan Documents, be greater than Borrower's probable liabilities,

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including the maximum amount of its contingent liabilities or its debts as such debts become absolute and matured. Borrower's assets do not and, immediately following the execution and delivery of the Loan Documents will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. Borrower does not intend to, and does not believe that it will, incur debts and liabilities (including, without limitation, contingent liabilities and other commitments) beyond its ability to pay such debts as they mature (taking into account the timing and amounts to be payable on or in respect of obligations of Borrower).

Section 5.16 PHYSICAL CONDITION. The Property, including, without limitation, all buildings, improvements, parking facilities, sidewalks, storm drainage systems, roofs, plumbing systems, HVAC systems, fire protection systems, electrical systems, equipment, elevators, exterior sidings and doors, landscaping, irrigation systems and all structural components, are in good condition, order and repair in all material respects; to Borrower's knowledge, there exists no structural or other material defects or damages in the Property, whether latent or otherwise, and Borrower has not received notice from any insurance company or bonding company of any defects or inadequacies in the Property, or any part thereof, which would adversely affect the insurability of the same or cause the imposition of extraordinary premiums or charges thereon or of any termination or threatened termination of any policy of insurance or bond, except in connection with the Approved Work.

Section 5.17 BOUNDARIES. Except as disclosed on the Survey, all of the improvements which were included in determining the appraised value of the Property lie wholly within the boundaries and building restriction lines of the Property, and no improvements on adjoining properties encroach upon the Property, and no easements or other encumbrances upon the Property encroach upon any of the improvements, so as to affect the value or marketability of the Property except those which are insured against by the title insurance policy obtained in connection with the Loan.

Section 5.18 PERSONAL PROPERTY AND FF&E. Borrower owns the personal property and FF&E (as defined in the Operating Lease) as set forth in Exhibit B attached hereto with a collective value of \$4,960,957.00 ("**Borrower's Personal Property**"). Lessee owns personal property and FF&E as set forth in Exhibit C attached hereto with a collective value of \$160,560.00 ("**Lessee's Personal Property**").

ARTICLE 6 - OBLIGATIONS AND RELIANCES

Section 6.1 RELATIONSHIP OF BORROWER AND LENDER. The relationship between Borrower and Lender is solely that of debtor and creditor, and Lender has no fiduciary or other special relationship with Borrower, and no term or condition of any of the Note, this Security Instrument and the Other Loan Documents shall be construed so as to deem the relationship between Borrower and Lender to be other than that of debtor and creditor.

Section 6.2 NO RELIANCE ON LENDER. The partners, members, principals and (if Borrower is a trust) beneficial owners of Borrower are experienced in the ownership and operation of properties similar to the Property, and Borrower and Lender are relying solely upon such expertise and business plan in connection with the ownership and operation of the Property.

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Borrower is not relying on Lender's expertise, business acumen or advice in connection with the Property.

Section 6.3 NO LENDER OBLIGATIONS.

(a) Notwithstanding the provisions of Subsections 1.1(e) and 1.1(l) or Section 1.2, Lender is not undertaking (i) any obligations under the Leases; or (ii) any obligations with respect to such agreements, contracts, certificates, instruments, franchises, permits, trademarks, licenses and other documents.

(b) By accepting or approving anything required to be observed, performed or fulfilled or to be given to Lender pursuant to this Security Instrument, the Note or the Other Loan Documents, including without limitation, any Officer's Certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal, or insurance policy, Lender shall not be deemed to have warranted, consented to, or affirmed the sufficiency, legality or effectiveness of same, and such acceptance or approval thereof shall not constitute any warranty or affirmation with respect thereto by Lender.

Section 6.4 RELIANCE. Borrower recognizes and acknowledges that in accepting the Note, this Security Instrument and the Other Loan Documents, Lender is expressly and primarily relying on the truth and accuracy of the warranties and representations set forth in Article 5 and that certain Closing Certificate of even date herewith executed by Borrower, without any obligation to investigate the Property and notwithstanding any investigation of the Property by Lender; that such reliance existed on the part of Lender prior to the date hereof; that such warranties and representations are a material inducement to Lender in accepting the Note, this Security Instrument and the Other Loan Documents; and that Lender would not be willing to make the Loan (as hereinafter defined) and accept this Security Instrument in the absence of the warranties and representations as set forth in Article 5 and such Closing Certificate.

ARTICLE 7 - FURTHER ASSURANCES

Section 7.1 RECORDING FEES. Borrower will pay all taxes, filing, registration or recording fees, and all expenses incident to the preparation, execution, acknowledgment and/or recording of the Note, this Security Instrument, the Other Loan Documents, any note or mortgage supplemental hereto, any security instrument with respect to the Property and any instrument of further assurance, and any modification or amendment of the foregoing documents, and all federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Security Instrument, any mortgage supplemental hereto, any security instrument with respect to the Property or any instrument of further assurance, and any modification or amendment of the foregoing documents, except where prohibited by law so to do.

Section 7.2 FURTHER ACTS. Borrower will, at the cost of Borrower, and without expense to Lender, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignments, transfers and assurances as Lender shall, from time to time, reasonably require, for the better assuring, conveying, assigning,

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transferring, and confirming unto Lender the property and rights hereby mortgaged, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which Borrower may be or may hereafter become bound to convey or assign to Lender, or for carrying out the intention or facilitating the performance of the terms of this Security Instrument or for filing, registering or recording this Security Instrument, or for complying with all Applicable Laws. Borrower, on demand, will execute and deliver and hereby authorizes Lender to execute in the name of Borrower or without the signature of Borrower to the extent Lender may lawfully do so, one or more financing statements, chattel mortgages or other instruments, to evidence more effectively the security interest of Lender in the Property. Borrower grants to Lender an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Lender at law and in equity, including without limitation such rights and remedies available to Lender pursuant to this Section 7.2.

Section 7.3 CHANGES IN TAX, DEBT CREDIT AND DOCUMENTARY STAMP LAWS.

(a) If any law is enacted or adopted or amended after the date of this Security Instrument which imposes a tax, either directly or indirectly, on the Debt or Lender's interest in the Property, requires revenue or other stamps to be affixed to the Note, this Security Instrument, or the Other Loan Documents, or imposes any other tax or charge on the same, Borrower will pay the same, with interest and penalties thereon, if any. If Lender is advised by counsel chosen by it that the payment of the tax by Borrower would be unlawful or taxable to Lender or unenforceable or provide the basis for a defense of usury, then Lender shall have the option, by written notice to Borrower of not less than ninety (90) calendar days, to declare the Debt immediately due and payable with no prepayment penalty or consideration.

(b) Borrower will not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the Taxes or Other Charges assessed against the Property, or any part thereof, and no deduction shall otherwise be made or claimed from the assessed value of the Property, or any part thereof, for real estate tax purposes by reason of this Security Instrument or the Debt. If such claim, credit or deduction shall be required by law, Lender shall have the option, by written notice to Borrower of not less than ninety (90) calendar days, to declare the Debt immediately due and payable with no prepayment penalty or consideration.

Section 7.4 CONFIRMATION STATEMENT.

(a) After written request by Lender, Borrower, within fifteen (15) Business Days, shall furnish Lender or any proposed assignee with a statement, duly acknowledged and certified, confirming to Lender (or its designee) (i) the amount of the original principal amount of the Note, (ii) the unpaid principal amount of the Note, (iii) the rate of interest of the Note, (iv) the terms of payment and maturity date of the Note, (v) the date installments of interest and/or principal were last paid, and (vi) that, except as provided in such statement, there are no defaults or events which with the passage of time or the giving of notice or both, would constitute an event of default under the Note or this

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Security Instrument; provided, however, Lender shall not be entitled hereunder to receive more than one (1) such statement in each calendar year.

(b) Subject to the provisions of the Leases, Borrower shall deliver to Lender, promptly upon request (but not more frequently than once annually so long as no Event of Default has occurred and is then continuing), duly executed estoppel certificates from any one or more lessees as required by Lender attesting to such facts regarding the Lease as Lender may require, including but not limited to attestations that each Lease covered thereby is in full force and effect with no defaults thereunder on the part of any party, that none of the Rents have been paid more than one month in advance, and that the lessee claims no defense or offset against the full and timely performance of its obligations under the Lease.

(c) Prior to the closing of the Securitization in accordance with Section 16.1 hereof, at Lender's written request, Borrower, and any Guarantors shall provide an estoppel certificate to the Investor in such form, substance and detail as Lender and such Investor may reasonably require.

Section 7.5 SPLITTING OF SECURITY INSTRUMENT. This Security Instrument and the Note shall, at any time until the same shall be fully paid and satisfied, at the sole election of Lender, be split or divided into two or more notes and two or more security instruments, each of which shall cover all or a portion of the property to be more particularly described therein. To that end, Borrower, within a reasonable time period following the written request of Lender, shall execute, acknowledge and deliver to Lender and/or its designee or designees substitute notes and security instruments in such principal amounts, aggregating not more than the then unpaid principal amount of Debt on the terms and conditions set forth herein and in the Note, and such other documents and instruments as Lender may reasonably request.

Section 7.6 REPLACEMENT DOCUMENTS. Upon receipt of an affidavit of an officer of Lender as to the loss, theft, destruction or mutilation of the Note or any Other Loan Document which is not of public record, and, in the case of any such mutilation, upon surrender and cancellation of such Note or Other Loan Document, Borrower, at its expense (provided that Borrower shall not be responsible for Lender's expenses), will issue, in lieu thereof, a replacement Note or Other Loan Document, dated the date of such lost, stolen, destroyed or mutilated Note or Other Loan Document in the same principal amount thereof.

ARTICLE 8 - DUE ON SALE/ENCUMBRANCE

Section 8.1 TRANSFER DEFINITIONS. "Affiliated Manager" shall mean any property manager which is an Affiliate of, or in which Borrower, St. George LLC, SPE Principal (if any) Lessee, Lessee SPE Principal or any Guarantor has, directly or indirectly, any legal, beneficial or economic interest; a "Restricted Party" shall mean Borrower, St. George LLC, SPE Principal (if any), Lessee SPE Principal any Guarantor, or any Affiliated Manager or any shareholder, partner, member or non-member manager, or any direct or indirect legal or beneficial owner of Borrower, SPE Principal, Lessee SPE Principal any Guarantor, any Affiliated Manager or any non-member manager; and a "Sale or Pledge" shall mean a voluntary

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or involuntary sale, conveyance, transfer or pledge of a direct or indirect legal or beneficial interest.

Section 8.2 LENDER RELIANCE. Borrower acknowledges that Lender has examined and relied on the creditworthiness of Borrower and the experience of Borrower and its respective partners, members, principals and (if Borrower is a trust) beneficial owners in owning and operating properties such as the Property in agreeing to make the Loan, and will continue to rely on Borrower's ownership of the Property as a means of maintaining the value of the Property as security for repayment of the Debt and the performance of the Other Obligations. Borrower acknowledges that Lender has a valid interest in maintaining the value of the Property so as to ensure that, should Borrower default in the repayment of the Debt the performance of the Other Obligations, Lender can recover the Debt by a sale of the Property.

Section 8.3 NO SALE/ENCUMBRANCE.

(a) Neither Borrower nor Lessee shall sell, convey, further mortgage, grant, bargain, encumber, pledge, assign, grant options with respect to, or otherwise transfer or dispose of (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) the Property, or its leasehold interest in the Property, as applicable, or any part thereof or any legal or beneficial interest therein or permit a Sale or Pledge of an interest in any Restricted Party (collectively, a "Transfer"), other than pursuant to Leases of space in the Improvements to tenants in accordance with the provisions of Article 3 of the ALR, without (i) the prior written consent of Lender and (ii) if a Securitization has occurred, delivery to Lender of written confirmation from the Rating Agencies that the Transfer will not result in the downgrade, withdrawal or qualification of the then current ratings assigned to any Securities or the proposed rating of any Securities.

(b) A Transfer shall include, but not be limited to: (i) an installment sales agreement wherein Borrower or Lessee agree to sell the Property (including, without limitation, Lessee's leasehold interest in the Property) or any part thereof for a price to be paid in installments; (ii) any assignment by Lessee of its interest in the Operating Lease or, other than the Operating Lease, an agreement by Borrower or Lessee leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, Borrower's right, title and interest in and to any Leases or any Rents; (iii) if a Restricted Party is a corporation, any merger, consolidation or Sale or Pledge of such corporation's stock or the creation or issuance of new stock; (iv) if a Restricted Party is a limited or general partnership or joint venture, any merger or consolidation or the change, removal, resignation or addition of a general partner or the Sale or Pledge of the partnership interest of any general partner or any profits or proceeds relating to such partnership interest, or the Sale or Pledge of limited partnership interests or any profits or proceeds relating to such limited partnership interests or the creation or issuance of new limited partnership interests; (v) if a Restricted Party is a limited liability company, any merger or consolidation or the change, removal, resignation or addition of a managing member or non-member manager (or if no managing member, any member) or the Sale or Pledge of the membership interest of a managing member (or if no managing member, any

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member), except in connection with the Mezzanine Loan (as hereinafter defined), or any profits or proceeds relating to such membership interest, or the Sale or Pledge of non-managing membership interests or the creation or issuance of new non-managing membership interests; (vi) if a Restricted Party is a trust or nominee trust, any merger, consolidation or the Sale or Pledge of the legal or beneficial interest in a Restricted Party or the creation or issuance of new legal or beneficial interests; (vii) the removal or the resignation of the Property Manager (including, without limitation, an Affiliated Manager) or any successor property manager other than in accordance with Section 3.11 hereof; or (viii) the failure of the Lessee SPE Principal to be (aa) the sole managing member of Lessee and (bb) controlled by the Original Principal (as defined below).

Section 8.4 EXCLUDED AND PERMITTED TRANSFERS.

(a) Notwithstanding the provisions of Sections 8.3(a) and (b), the following transfers shall not be deemed to be a Transfer:

(i) a transfer by devise or descent or by operation of law upon the death of a member, partner or shareholder of a Restricted Party or a Restricted Party itself subject, however, to all the following requirements: (A) written notice of any transfer under this Section 8.4(a)(i) is provided to Lender or its servicer, together with copies of such documents relating to the transfer as Lender or its servicer may reasonably request, (B) control over the management and operation of the Property is retained directly or indirectly by PECKER VENTURES, L.L.C. (the "**Original Principal**"), (C) no such transfer upon death or dissolution will have any adverse effect either on the bankruptcy-remote status of Borrower or Lessee SPE Principal, as applicable, under the requirements of any Rating Agency or on the status of Borrower as a continuing legal entity liable for the payment of the Debt and the performance of all other obligations secured hereby;

(ii) the Sale or Pledge, in one or a series of transactions, of not more than forty-nine percent (49%) of the stock in a Restricted Party; provided, however, no such transfers shall result in the change of voting control in the Restricted Party, and as a condition to each such transfer, Lender shall receive not less than ten (10) days prior written notice of such proposed transfer;

(iii) the Sale or Pledge, in one or a series of transactions, of not more than forty-nine percent (49%) of the limited partnership interests or membership interests (as the case may be) in a Restricted Party; provided, however, as a condition to each such transfer, Lender shall receive not less than ten (10) days prior written notice of such proposed transfer; or

(iv) a transfer of all or any portion of ownership interests in a Restricted Party to one or more family members of such Restricted Party or a trust in which all of the beneficial interest is held by one or more

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family members of such Restricted Party or a partnership or limited liability company in which a majority of the capital and profits interests are held by one or more family members of such Restricted Party, provided, that any transfer pursuant to this Section 8.4(a)(iv) is made in connection with such Restricted Party's bona fide, good faith estate planning and that the person(s) with voting control of such Restricted Party or the management of the Property are (i) the same person(s) who had such voting control and management rights immediately prior to the transfer in question, or (ii) reasonably acceptable to Lender and provided further that no such transfer shall have any adverse effect on the bankruptcy remote status of Borrower under the requirements of any Rating Agency. As used herein, "family members" shall include the spouse, children and grandchildren and any lineal descendants.

(b) Except as set forth in Section 8.4(a) in connection with a Permitted Transfer (as hereinafter defined), the Original Principal must (i) continue to directly or indirectly control Borrower and Lessee SPE Principal and own, directly or indirectly, at least a 51 % interest in Borrower and Lessee SPE Principal, and (ii) comply with Sections 6.13 and 6.14 of that certain Guaranty from Original Principal to Lender dated as of even date hereof (the "**Guaranty**")

(c) Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of default hereunder in order to declare the Debt immediately due and payable upon a Transfer in violation of this Article 8. This provision shall apply to every Transfer regardless of whether voluntary or not, or whether or not Lender has consented to any previous Transfer. Notwithstanding anything to the contrary contained in this Article 8, no transfer (whether or not such transfer shall constitute a Transfer) shall be made to any Prohibited Person.

(d) Notwithstanding the provisions of Section 8.3 above, Lender will give its consent to three separate sales or transfers of the Property or ownership interests in a Restricted Party, if (but only if) no Event of Default under the Loan Documents has occurred and is continuing, and if each of the following conditions precedent have been fully satisfied (each a "**Permitted Transfer**"): (i) the grantee's or transferee's integrity, reputation, financial condition, character and management ability are satisfactory to Lender in its sole discretion, and all information relating thereto requested by Lender is delivered to Lender at least 30 days prior to the proposed transfer, (ii) the grantee's or transferee's (and its sole general partner's or managing member's) single purpose and bankruptcy remote character are satisfactory to Lender in its reasonable discretion, and all information relating thereto requested by Lender is delivered to Lender at least 30 days prior to the proposed transfer, (iii) the grantee or transferee agrees to comply with the representations and covenants set forth in Sections 4.2 and 4.3 hereof, (iv) Lender has obtained such estoppels from any guarantors of the Note or replacement guarantors and such other legal opinions regarding substantive consolidation issues, enforceability of the assumption documents, no adverse impact on the Securities or any REMIC holding the Note and similar matters as Lender may reasonably require, (v) all of Lender's costs and expenses associated with the sale or transfer (including reasonable attorneys' fees and

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Rating Agency fees) are paid by Borrower or the grantee or transferee, (vi) the payment to Lender of a \$5,000 non-refundable application fee and a transfer fee not to exceed 1% of the then unpaid principal balance of the loan evidenced by the Note and secured hereby (the "**Loan**"), (vii) the execution and delivery to Lender of a written assumption agreement and/or substitute Guaranty (a "**Substitute Guaranty**") prior to such sale or transfer (provided that in the event the Loan is included in a REMIC and is a performing Loan, no modification to the terms and conditions shall be made or permitted that would cause (A) any adverse tax consequences to the REMIC or any holders of any Mortgage-Backed Pass-Through Securities, (B) the Security Instrument to fail to be a Qualifying Security Instrument under applicable federal law relating to REMIC's, or (C) result in a taxation of the income from the Loan to the REMIC or cause a loss of REMIC status), (viii) if applicable, the delivery to Lender of an endorsement (at Borrower's sole cost and expense) to Lender's policy of title insurance then insuring the lien created by this Security Instrument in form and substance reasonably acceptable to Lender, and (ix) if required by Lender, confirmation in writing from the Rating Agencies to the effect that such transfer will not result in a re-qualification, reduction or withdrawal of the then current rating assigned to the Securities or any class thereof in any applicable Securitization. Notwithstanding anything contained in this Section 8.4(d) to the contrary, (aa) no transfer fee shall be collected in connection with either the replacement of a property manager, the Lessee Owner Transfer (defined below) or the Lease Termination, and (bb) neither the replacement of a property manager, the Lessee Owner Transfer nor the Lease Termination shall count toward the limit of three (3) Permitted Transfers, provided, however any and all other conditions in this Section 8.4(d) shall continue and remain in full force and effect for any and all Permitted Transfers.

(e) Without limiting the foregoing, if Lender shall consent to a transfer of the Property, the written assumption agreement described in Subsection 8.4(d)(vii) above shall provide for the release of Borrower and each Guarantor of personal liability under the Security Instrument, the Note and Other Loan Documents, but only as to acts or events occurring, or obligations arising, after the closing of such transfer.

(f) Anything contained herein to the contrary notwithstanding, Borrower shall cause the Lessee SPE Principal to purchase Chevron's entire ownership interest in the Lessee, either (a) in the event that Chevron elects exercise its "Put Option" in accordance with that certain Purchase Agreement (the "**Lessee Purchase Agreement**") dated October 25, 2001 between Chevron and Lessee SPE Principal "**Lessee Put Owner Transfer**"), or (b) in the event that Chevron does not exercise its "Put Option", then Borrower shall cause Lessee SPE Principal to exercise its "Call Option" in accordance with the Lessee Purchase Agreement (the "**Lessee Call Owner Transfer**"). The Lessee Put Owner Transfer and the Lessee Call Owner Transfer shall each hereafter be referred to as the "**Lessee Owner Transfer**". Simultaneously with the Lessee Owner Transfer, both (a) the Operating Lease and HTC Pass-Through Agreement shall be terminated (collectively, the "**Lease Termination**") and (b) the following conditions (the "**Lease Termination Conditions**") shall be satisfied, to the reasonable satisfaction of Lender:

(i) No Event of Default shall have occurred and be continuing, unless the Event of Default is such that it will be cured as a result of the Lease

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Termination, provided, however, this shall not serve to limit or waive any of Lender's rights following an Event of Default;

- (ii) Receipt by Lender of thirty (30) days prior written notice of the Lessee Owner Transfer and Lease Termination;
- (iii) Borrower shall have delivered documents, in form and substance reasonably acceptable to Lender, evidencing: (aa) the termination of the Operating Lease and HTC Pass-Through Agreement, (bb) the subsequent amendments to the Franchise Agreement, Management Agreement and any and all contracts or operating documents affecting the Property to account for the termination of the Operating Lease and HTC Pass-Through Agreement and (cc) Borrower's purchase of and Lessee's transfer of all of Lessee's Personal Property and any and all personal property acquired by Lessee after the date hereof used in connection with the Property;
- (iv) Borrower shall have executed and delivered to Lender an amendment to this Security Instrument (the "**Amendment**"), in form and substance acceptable to Lender, removing all covenants, representations and references to the Operating Lease, HTC Pass-Through Agreement, Lessee, Lessee SPE Principal, Original Assignment and Security Agreement and Assignment of Contracts;
- (v) Lender shall receive a title endorsement (the "**Title Endorsement**"), reasonably acceptable to Lender, modifying Lender's title insurance policy (the "**Title Policy**") insuring the Security Instrument in order to: (aa) amend the effective date of the Title Policy to the date and time of the recordation of the Amendment, (bb) insure that there are no additional exceptions on Schedule B, Part I of the Title Policy other than (i) those exceptions appearing on Schedule B, Part I of the Title Policy as of the original date of the Title Policy and (ii) any additional exceptions that do not, along with the Lease Termination, create a material adverse effect on Lender, in its reasonable discretion, (cc) delete the references to the Operating Lease and the Original ALR and those certain UCC Financing Statements from Lessee to Borrower from the Title Policy and (dd) show this Security Instrument, as amended by the Amendment, as a first mortgage upon the fee interest in the Land; and
- (vi) Borrower shall deliver to Lender an opinion of counsel in form satisfactory to Lender stating, that the Amendment and any and all additional documents executed by Borrower, Lessee and/or Lessee SPE Principal in connection with the Lessee Owner Transfer and Lease Termination were duly authorized, properly executed and validly delivered by Borrower, Lessee and/or Lessee SPE Principal, as applicable, to Lender and are legally binding and the Amendment is enforceable against Borrower, Lessee and/or Lessee SPE Principal, as applicable;

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- (vii) Borrower shall deliver, or cause Lessee or Lessee SPE Principal to deliver, such other documents as Lender may reasonably require;
- (viii) Borrower shall have paid on demand all of Lender's reasonable fees and expenses incurred in evaluating and documenting the Lessee Owner Transfer, Lease Termination, satisfaction of the Lease Termination Conditions and documenting and recording the Amendment, including, without limitation, commercially reasonable attorneys' fees and filing fees.
- (g) Subject to satisfaction of the Mezzanine Loan Criteria (hereinafter defined), the members of Borrower and/or the members of St. George LLC (collectively, the "**Mezzanine Borrower**") shall have the right to pledge all or any portion of Mezzanine Borrower's limited liability company interests in Borrower and all or any portion of Mezzanine Borrower's limited liability company interests in St. George LLC to secure a loan (a "**Mezzanine Loan**") to the Mezzanine Borrower. "**Mezzanine Loan Criteria**" shall mean:
- (i) Lender shall have approved (in its reasonable discretion) (aa) the terms of the Mezzanine Loan, (bb) the documents and instruments in connection with the Mezzanine Loan (the "**Mezzanine Loan Documents**") and (cc) the lender providing the Mezzanine Loan (the "**Mezzanine Lender**");
- (ii) The Mezzanine Lender and Lender shall have entered into a subordination and intercreditor agreement in form reasonably acceptable to Lender which provides, *inter alia*, that Mezzanine Lender shall have certain limited notice cure rights upon the occurrence of an Event of Default under this Security Instrument, so long as such cure occurs within the cure period for such Event of Default and so long as such cure does not require the possession, operation or management of the Property;
- (iii) The Property has (i) maintained a Debt Coverage Ratio (as hereinafter defined), prior to giving effect to the Mezzanine Loan, of 1.35:1.00 or more for the twelve (12) month period ending on the date Borrower requests Lender's approval of the Mezzanine Loan, and (ii) maintained a Debt Coverage Ratio after giving effect to the Mezzanine Loan, of 1.15:1.00 or more for the twelve (12) month period ending on the date Borrower requests Lender's approval of the Mezzanine Loan;
- (iv) The combined loan to value ratio, as established by a current MAI appraisal prepared by an appraiser reasonably approved by Lender and conducted after Borrower requests Lender's approval of the Mezzanine Loan, is no more than eighty-five percent (85%);
- (v) No Event of Default, nor any event which with notice or the passage of time or both would constitute an Event of Default, shall have occurred and be then continuing under any of the Loan Documents;

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(vi) Lender shall have received evidence reasonably satisfactory to Lender that the Mezzanine Loan shall have no adverse effect on the bankruptcy remote status of Borrower under the requirements of any Rating Agency for the Securities;

(vii) Delivery to Lender of all items reasonably required by Lender in connection with Lender's evaluation of approval of the Mezzanine Loan, all of which must be reasonably acceptable in form and substance to Lender, including, without limitation, current rent rolls, operating statements and financial statements;

(viii) Based upon the standards of a prudent institutional lender originating commercial mortgage loans and issuing mortgage pass-through certificates or other securities evidencing a beneficial interest in a rated public offering or private placement would have used, Lender shall have determined that there has been no material adverse change in the condition, financial, physical or otherwise, of the Property, Borrower or any Guarantor since the date hereof;

(ix) Payment by Borrower of all reasonable costs and expenses, including reasonable legal fees incurred by Lender in connection with the Mezzanine Loan; and

(x) If requested by Lender, each Rating Agency shall have delivered written confirmation that any rating issued by such Rating Agency in connection with the securitization of any Securities will not, as a result of the proposed Mezzanine Loan, be downgraded from the then current ratings thereof, qualified or withdrawn provided, however, that the determination of whether Lender shall make such request shall be based upon the standards of a prudent institutional lender originating commercial mortgage loans and issuing mortgage pass-through certificates or other securities evidencing a beneficial interest in a rated public offering or private placement would have used.

For purposes hereof the term "**Debt Coverage Ratio**" shall mean the ratio of Cash Available for Debt Service as defined below to annual debt service (i.e., principal (calculated on a 30 year amortization schedule) and interest payments) due under the Note (utilizing solely for purposes of calculating the Debt Coverage Ratio an assumed interest rate equal to the Interest Rate in effect on the date of determination of the Debt Coverage Ratio) and any other notes secured by the Property or by direct or indirect pledges of equity in the Borrower. Cash Available for Debt Service shall be determined by Lender in a manner substantially the same as that utilized by Lender in underwriting loans secured by similar property types at the time of determination of the Debt Coverage Ratio. In addition, Cash Available for Debt Service shall be adjusted by applying (i) vacancy and/or credit loss rates to gross income at the actual rate during the preceding 12-month period, (ii) rental or average daily room rates (as applicable) at the actual rate during the preceding 12-month period, (iii) deductions for operating expenses based on

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actual historical levels, and (iv) deducting expenses for capital replacements and repairs, calculated at the actual amounts required by Lender, which amounts are equal to four percent (4%) of the effective gross income from the Property.

"Cash Available for Debt Service" shall mean:

(i) all gross receipts received or (with respect to a projected Debt Coverage Ratio) anticipated from the Property, including, without limitation, from tenants in the Property and paying rent under leases in effect during the applicable twelve-month period, calculated on a cash basis which reflects only the income actually received during the previous twelve-month period as of the date of such calculation, and for a projected Debt Coverage Ratio any income anticipated to be received during the following twelve-month period based on leases in effect as of the date of calculation, for such time as those leases are contracted to remain in effect without expiration by their terms or optional termination by the tenant (unless the tenant has waived its termination rights in writing or the term of the lease has been extended in writing), including without limitation all amounts to be received from tenants as payment of operating expenses but not including refundable deposits, late fees or charges, interest income or other non-operating income, lease termination payments, excess tenant improvement and leasing commission payments included as additional rent, principal or interest payments received by Borrower on loans to tenants and fees and reimbursements for work performed for tenants by Borrower, but excluding any rent received under the Operating Lease for purposes of this calculation, less:

(ii) all expenses actually incurred (without duplication), for the operation or maintenance of the Property for the applicable twelve-month period, including ground rents, the cost of property management (which shall be the greater of (aa) the actual fees payable under a management contract in effect for the applicable twelve (12) month period or (bb) 3.0% of the effective gross income of the Property), marketing, franchise fees (which shall be the greater of (aa) the actual fees payable under a franchise agreement in effect for the applicable twelve (12) month period or (bb) 5.0% of the room revenue at the Property and 4.0% of the food and beverage revenue at the Property), maintenance, cleaning, security, legal, administrative, landscaping, parking maintenance, utilities, real estate taxes and assessments and other taxes related to the operation of the Property, insurance premiums, necessary repairs and future replacements of equipment and other capital expenditures, and other costs and expenses incurred by Borrower (and Lessee, if applicable) during the applicable period, and for a projected Debt Coverage Ratio, amounts reasonably estimated by Lender for each of the foregoing items. Payments under the Note and non-cash deductions for income tax purposes shall not be deducted in determining Cash Available for Debt Service.

Section 8.5 NO IMPLIED FUTURE CONSENT. Lender's consent to one sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Property shall not be deemed to be a waiver of Lender's right to require such consent to any future occurrence of same.

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Any sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Property made in contravention of this Article 8 shall be null and void and of no force and effect.

Section 8.6 COSTS OF CONSENT. Borrower agrees to bear and shall pay or reimburse Lender on demand for all reasonable third party expenses (including, without limitation, all recording costs, reasonable outside attorneys' fees and disbursements and title search costs) incurred by Lender.

Section 8.7 CONTINUING SEPARATENESS REQUIREMENTS. In no event shall any of the terms and provisions of this Article 8 amend or modify the terms and provisions contained in Section 4.3 herein.

ARTICLE 9 - DEFAULT

Section 9.1 EVENTS OF DEFAULT. The occurrence of any one or more of the following events shall constitute an "Event of Default", subject to the cure period set forth herein:

- (a) if any portion of the Debt is not paid prior to the fifth (5th) calendar day after the same is due or if the entire Debt is not paid on or before the maturity date, along with applicable prepayment premiums, if any;
- (b) if any of the Taxes or Other Charges is not paid when the same is due and payable, subject to Borrower's rights under Section 3.3(b);
- (c) if the Policies are not kept in full force and effect, or if the Policies are not delivered to Lender as provided in Section 3.2 hereof;
- (d) if Borrower, Lessee or their general partners, managers or managing member, if applicable, violates or does not comply with any of the provisions of Section 4.3, Article 8, or if Borrower violates or does not comply with the Undelivered Items Letter, fails to deliver any of the reports required by Section 3.8, or fails to complete any "Immediate Repairs" (as defined in the Escrow Agreement);
- (e) if any representation or warranty of Borrower or of its members, general partners, principals, affiliates, agents or employees, or of any Guarantor made herein or in the Environmental Indemnity or in any other Loan Document, in any guaranty, or in any certificate, report, financial statement or other instrument or document furnished to Lender shall have been false or misleading in any material respect when made;
- (f) if Borrower, SPE Principal, Lessee, Lessee SPE Principal or any Guarantor shall make an assignment for the benefit of creditors or if Borrower or any Guarantor shall admit in writing its inability to pay, or Borrower's, Lessee's or any Guarantor's failure to pay its debts as they become due;
- (g) if (i) Borrower or any managing member of Borrower, or Lessee, or any Guarantor shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency,

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reorganization, conservatorship or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or Borrower or managing member of Borrower or Lessee, or any Guarantor shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against Borrower or any managing member of Borrower, or any Guarantor any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of sixty (60) calendar days; or (iii) there shall be commenced against Borrower, or Lessee, any managing member of Borrower or any Guarantor any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which results in the entry of any order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) calendar days from the entry thereof; or (iv) Borrower or any managing member of Borrower or Lessee, or any Guarantor shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) Borrower or any managing member of Borrower or Lessee, or any Guarantor shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due;

(h) subject to Borrower's right to contest certain liens as provided in this Security Instrument, if the Property becomes subject to any mechanic's, materialman's or other lien other than a lien for local real estate taxes and assessments not then due and payable and the lien shall remain undischarged of record (by payment, bonding or otherwise) for a period of thirty (30) calendar days;

(i) if any federal tax lien is filed against Borrower, managing member of Borrower or Lessee, or any Guarantor or the Property and same is not discharged of record within ninety (90) calendar days after same is filed;

(j) if Borrower shall fail to deliver to Lender the estoppel certificates in accordance with Section 7.4 of this Security Instrument;

(k) if Borrower assigns its rights under this Security Instrument or any of the other Loan Documents or any interest herein or therein in contravention of the Loan Documents;

(l) except as permitted in this Security Instrument, the actual alteration, improvement, demolition or removal of any of the Improvements, or any construction on the Property, without the prior consent of Lender, which consent shall not be unreasonably withheld;

(m) if without Lender's prior consent, which shall not be unreasonably withheld, the Property Manager for the Property under the Management Agreement (or

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any successor management agreement) resigns or is removed, or the ownership, management or control of such Property Manager is transferred to a person or entity other than an affiliate of the Borrower, or there is any material change in the Management Agreement (or any successor management agreement);

(n) this Security Instrument shall cease to constitute a first-priority lien on the Property (other than in accordance with its terms);

(o) seizure or forfeiture of the Property, or any portion thereof, or Borrower's or Lessee's interest therein, resulting from criminal wrongdoing or other unlawful action of Borrower, its affiliates or Lessee, under any federal, state or local law;

(r) with respect to any term, covenant or provision set forth herein which specifically contains a notice requirement or grace period, if Borrower shall be in default under such term, covenant or condition after the giving of such notice or the expiration of such grace period;

(q) (A) Borrower fails to timely provide Lender with the written certification and evidence referred to in Section 4.2 hereof, (B) Borrower is a Plan or its assets constitute Plan Assets; or (C) if Borrower consummates a transaction which would cause this Security Instrument or Lender's exercise of its rights under this Security Instrument, the Note or the Other Loan Documents to constitute a nonexempt prohibited transaction under ERISA or result in a violation of a state statute regulating governmental plans, subjecting Lender to liability for a violation of ERISA or a state statute;

(r) if any default occurs under any guaranty or indemnity including the Environmental Indemnity executed in connection herewith and such default continues after the expiration of applicable grace periods, or such guaranty or indemnity shall cease to be in full force and effect, or any guarantor shall deny or disaffirm its obligation thereunder;

(s) if Borrower fails to enforce the obligations of another party under any agreement to which Borrower is a party and that affects or pertains to the Property in accordance with Section 3.10;

(t) if a default has occurred and continues beyond any applicable cure period under the Management Agreement (or any successor management agreement) if such default permits the Property Manager to terminate or cancel the Management Agreement (or any successor management agreements);

(u) subject to the rights of Borrower under Section 3.11(c) hereof, if without Lender's prior consent, there is any material change to or termination of the Franchise Agreement (or any successor franchise agreement);

(v) if a default has occurred and continues beyond any applicable cure period under the Franchise Agreement (or any successor franchise agreement) if such default permits the Franchisor to terminate or cancel the Franchise Agreement (or any successor franchise agreement);

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(w) if the Property ceases to be used as a hotel or Borrower terminates such business for any reason whatsoever (other than temporary cessation in connection with any renovations to the Property);

(x) subject to the rights of Borrower under Section 8.4(f) hereof, if Borrower shall fail to observe or perform any term, covenant, condition or agreement in the Operating Lease or HTC Pass-Through Agreement beyond any cure period contained therein, or if the Operating Lease or HTC Pass-Through Agreement shall be cancelled or terminated for any reason, without Lender's prior consent;

(y) if either (i) the applicable governmental entity or agency or Chevron provide Borrower, Lessee, Lessee SPE Principal or any affiliates of the foregoing with notice of the tax credits (the "**Historic Tax Credits**") allowable against the federal income tax available in connection with the prior rehabilitation of certain historic structures at the Property pursuant to Section 47, Section 50 or any other applicable section of the Internal Revenue Code of 1986, as amended (the "**Code**") are subject to recapture or reassessment in accordance with the Code (a "**Historic Tax Credit Default**") or (ii) Borrower, Lessee, or Lessee SPE Principal or any affiliates of the foregoing are aware of such Historic Tax Credit Default;

(z) if Borrower or any Guarantor, as the case may be, shall continue to be in default under any other term, covenant or condition of this Security Instrument or any Other Loan Documents for thirty (30) days after written notice from Lender; provided that if such default cannot reasonably be cured within such thirty (30) calendar day period and Borrower or such Guarantor, as the case may be, shall have commenced to cure such default within such thirty (30) calendar day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) calendar day period shall be extended for so long as it shall require Borrower or such Guarantor, as the case may be, in the exercise of due diligence to cure such default, it being agreed that no such extension shall be for a period in excess of ninety (90) calendar days after the notice from Lender referred to above.

Section 9.2 DEFAULT INTEREST. Borrower will pay, from the date of an Event of Default through the earlier of the date upon which the Event of Default is cured or the date upon which the Debt is paid in full, interest on the unpaid principal balance of the Note at a per annum rate equal to the lesser of (a) four percent (4%) plus the Applicable Interest Rate (as defined in the Note), and (b) the maximum interest rate which Borrower may by law pay or Lender may charge and collect (the "**Default Rate**").

ARTICLE 10 - RIGHTS AND REMEDIES

Section 10.1 REMEDIES. Upon the occurrence of any Event of Default, Borrower agrees that Lender may take such action without notice or demand, as it deems advisable to protect and enforce its rights against Borrower in and to the Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Lender may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Lender:

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(a) Right to Perform Borrower's Covenants. If Borrower has failed to keep or perform any covenant whatsoever contained in this Security Instrument or the Other Loan Documents, Lender may, but shall not be obligated to any person to do so, perform or attempt to perform said covenant and any payment made or expense incurred in the performance or attempted performance of any such covenant, together with any sum expended by Lender that is chargeable to Borrower or subject to reimbursement by Borrower under the Loan Documents, shall be and become a part of the "Debt", and Borrower promises, upon demand, to pay to Lender, at the place where the Note is payable, all sums so incurred, paid or expended by Lender, with interest from the date when paid, incurred or expended by Lender at the Default Rate.

(b) Right of Entry. Lender may, prior or subsequent to the institution of any foreclosure proceedings, enter upon the Property, or any part thereof, and take exclusive possession of the Property and of all books, records, and accounts relating thereto and to exercise without interference from Borrower any and all rights which Borrower has with respect to the management, possession, operation, protection, or preservation of the Property, including without limitation the right to rent the same for the account of Borrower and to deduct from such Rents all costs, expenses, and liabilities of every character incurred by Lender in collecting such Rents and in managing, operating, maintaining, protecting, or preserving the Property and to apply the remainder of such Rents on the Debt in such manner as Lender may elect. All such costs, expenses, and liabilities incurred by Lender in collecting such Rents and in managing, operating, maintaining, protecting, or preserving the Property, if not paid out of Rents as hereinabove provided, shall constitute a debt and obligation owing by Borrower and shall bear interest from the date of expenditure until paid at the Default Rate, all of which shall constitute a portion of the Debt. If necessary to obtain the possession provided for above, Lender may invoke any and all legal remedies to dispossess Borrower, including specifically one or more actions for forcible entry and detainer, trespass to try title, and restitution. In connection with any action taken by Lender pursuant to this Subsection 10.1(b), Lender shall not be liable for any loss sustained by Borrower resulting from any failure to let the Property, or any part thereof, or from any other act or omission of Lender in managing the Property unless such loss is caused by the willful misconduct of Lender, nor shall Lender be obligated to perform or discharge any obligation, duty, or liability under any Lease or under or by reason hereof or the exercise of rights or remedies hereunder. Borrower shall and does hereby agree to indemnify Lender for, and to hold Lender harmless from, any and all liability, loss, or damage, which may or might be incurred by Lender under any such Lease or under or by reason hereof or the exercise of rights or remedies hereunder, and from any and all claims and demands whatsoever which may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained in any such Lease. Should Lender incur any such liability, the amount thereof, including without limitation costs, expenses, and reasonable attorneys' fees, together with interest thereon from the date of expenditure until paid at the Default Rate, shall be secured hereby, and Borrower shall reimburse Lender therefor immediately upon demand. Nothing in this Subsection 10.1(b) shall impose any duty, obligation, or responsibility upon Lender for the control, care, management, leasing, or repair of the Property, nor for the carrying out of any of the terms and conditions of any

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such Lease; nor shall it operate to make Lender responsible or liable for any waste committed on the Property by the tenants or by any other parties, or for any hazardous substances or environmental conditions on or under the Property, or for any dangerous or defective condition of the Property or for any negligence in the management, leasing, upkeep, repair, or control of the Property resulting in loss or injury or death to any tenant, licensee, employee, or stranger. Borrower hereby assents to, ratifies, and confirms any and all actions of Lender with respect to the Property taken under this subsection.

(c) Right to Accelerate. Lender may, without notice (except as provided in the final paragraph in Section 9.1(aa) above and in the Subordination Agreement dated as of even date herewith between Borrower, Lessee and Lender) demand, presentment, notice of nonpayment or nonperformance, protest, notice of protest, notice of intent to accelerate, notice of acceleration, or any other notice or any other action, all of which are hereby waived by Borrower and all other parties obligated in any manner whatsoever on the Debt, declare the entire unpaid balance of the Debt immediately due and payable, and upon such declaration, the entire unpaid balance of the Debt shall be immediately due and payable.

(d) Foreclosure Power of Sale. Lender may institute a judicial proceeding or proceedings, for the complete or partial foreclosure of this Security Instrument. Lender may sell the Property, and all estate, right, title, interest, claim and demand of Borrower therein, and all rights of redemption thereof, at one or more sales, as an entirety or in parcels, with such elements of real and/or personal property, and at such time and place and upon such terms as it may deem expedient, or as may be required by applicable law, and in the event of a sale, by foreclosure or otherwise, of less than all of the Property, this Security Instrument shall continue as a lien and security interest on the remaining portion of the Property.

(e) [Intentionally Omitted.]

(f) Lender's Judicial Remedies. Lender may proceed by suit or suits, at law or in equity, to enforce the payment of the Debt to foreclose the liens and security interests of this Security Instrument as against all or any part of the Property, and to have all or any part of the Property sold under the judgment or decree of a court of competent jurisdiction. This remedy shall be cumulative of any other nonjudicial remedies available to Lender under this Security Instrument, the Note or the Other Loan Documents. Proceeding with a request or receiving a judgment for legal relief shall not be or be deemed to be an election of remedies or bar any available nonjudicial remedy of Lender.

(g) Lender's Right to Appointment of Receiver. Subject to all the requirements of Applicable Laws, Lender, as a matter of right and (i) without regard to the sufficiency of the security for repayment of the Debt and without notice to Borrower, (ii) without any showing of insolvency, fraud, or mismanagement on the part of Borrower, (iii) without the necessity of filing any judicial or other proceeding other than the proceeding for appointment of a receiver, and (iv) without regard to the then value of the Property, shall be entitled to the appointment of a receiver or receivers for the protection, possession, control, management and operation of the Property, including

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(without limitation), the power to collect the Rents, enforce this Security Instrument and, in case of a sale and deficiency, during the full statutory period of redemption (if any), whether there be a redemption or not, as well as during any further times when Borrower, except for the intervention of such receiver, would be entitled to collection of such Rents. Borrower hereby irrevocably consents to the appointment of a receiver or receivers. Any receiver appointed pursuant to the provisions of this subsection shall have the usual powers and duties of receivers in such matters.

(h) Commercial Code Remedies. Lender may exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing: (i) the right to take possession of the Personal Property or any part thereof, and to take such other measures as Lender may deem necessary for the care, protection and preservation of the Personal Property, and (ii) request Borrower at its expense to assemble the Personal Property and make it available to Lender at a convenient place reasonably acceptable to Lender. Any notice of sale, disposition or other intended action by Lender with respect to the Personal Property sent to Borrower in accordance with the provisions hereof at least ten (10) days prior to such action, shall constitute commercially reasonable notice to Borrower.

(i) Apply Escrow Funds. Lender may apply any Funds (as defined in the Escrow Agreement) and any other sums held in escrow or otherwise by Lender in accordance with the terms of this Security Instrument or any Other Loan Document to the payment of the following items in any order in its uncontrolled discretion:

- (i) Taxes and Other Charges;
 - (ii) Insurance Premiums;
 - (iii) Interest on the unpaid principal balance of the Note;
 - (iv) Amortization of the unpaid principal balance of the Note;
- and
- (v) All other sums payable pursuant to the Note, this Security Instrument and the Other Loan Documents, including without limitation advances made by Lender pursuant to the terms of this Security Instrument and reasonable internal costs and expenses incurred by Lender including, without limitation, Lender's reasonable in-house legal fees.

(j) Other Rights. Lender (i) may surrender the Policies maintained pursuant to this Security Instrument or any part thereof, and upon receipt shall apply the unearned premiums as a credit on the Debt, and, in connection therewith, Borrower hereby appoints Lender as agent and attorney-in-fact (which is coupled with an interest and is therefore irrevocable) for Borrower to collect such premiums; and (ii) may apply the Tax and Insurance Funds (as defined in the Escrow Agreement) and/or the On-going Replacement Funds (as defined in the Escrow Agreement) and any other funds held by Lender toward payment of the Debt; and (iii) shall have and may exercise any and all

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other rights and remedies which Lender may have at law or in equity, or by virtue of any of the Loan Documents, or otherwise.

(k) Discontinuance of Remedies. In case Lender shall have proceeded to invoke any right, remedy, or recourse permitted under the Loan Documents and shall thereafter elect to discontinue or abandon same for any reason, Lender shall have the unqualified right so to do and, in such event, Borrower and Lender shall be restored to their former positions with respect to the Debt, the Loan Documents, the Property or otherwise, and the rights, remedies, recourses and powers of Lender shall continue as if same had never been invoked.

(l) Remedies Cumulative. All rights, remedies, and recourses of Lender granted in the Note, this Security Instrument and the Other Loan Documents, any other pledge or collateral, or otherwise available at law or equity: (i) shall be cumulative and concurrent; (ii) may be pursued separately, successively, or concurrently against Borrower, the Property, or any one or more of them, at the sole discretion of Lender; (iii) may be exercised as often as occasion therefor shall arise, it being agreed by Borrower that the exercise or failure to exercise any of same shall in no event be construed as a waiver or release thereof or of any other right, remedy, or recourse; (iv) shall be nonexclusive; (v) shall not be conditioned upon Lender exercising or pursuing any remedy in relation to the Property prior to Lender bringing suit to recover the Debt; and (vi) in the event Lender elects to bring suit on the Debt and obtains a judgment against Borrower prior to exercising any remedies in relation to the Property, all liens and security interests, including the lien of this Security Instrument, shall remain in full force and effect and may be exercised thereafter at Lender's option.

(m) Bankruptcy Acknowledgment. In the event the Property or any portion thereof or any interest therein becomes property of any bankruptcy estate or subject to any state or federal insolvency proceeding, then Lender shall immediately become entitled, in addition to all other relief to which Lender may be entitled under this Security Instrument, to obtain (i) an order from the Bankruptcy Court or other appropriate court granting immediate relief from the automatic stay pursuant to § 362 of the Bankruptcy Code so to permit Lender to pursue its rights and remedies against Borrower as provided under this Security Instrument and all other rights and remedies of Lender at law and in equity under applicable state law, and (ii) an order from the Bankruptcy Court prohibiting Borrower's use of all "cash collateral" as defined under § 363 of the Bankruptcy Code. In connection with such Bankruptcy Court orders, Borrower shall not contend or allege in any pleading or petition filed in any court proceeding that Lender does not have sufficient grounds for relief from the automatic stay. Any bankruptcy petition or other action taken by the Borrower to stay, condition, or inhibit Lender from exercising its remedies are hereby admitted by Borrower to be in bad faith and Borrower further admits that Lender would have just cause for relief from the automatic stay in order to take such actions authorized under state law.

(n) Application of Proceeds. The proceeds from any sale, lease, or other disposition made pursuant to this Security Instrument, or the proceeds from the surrender of any insurance policies pursuant hereto, or any Rents collected by Lender from the

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Property, or the Tax and Insurance Escrow Fund or the Replacement Escrow Fund (as defined in the Escrow Agreement) or proceeds from insurance which Lender elects to apply to the Debt pursuant to Article 3 hereof, shall be applied by Lender, as the case may be, to the Debt in the following order and priority: (1) to the payment of all expenses of advertising, selling, and conveying the Property or part thereof, and/or prosecuting or otherwise collecting Rents, proceeds, premiums or other sums including reasonable attorneys' fees; (2) to that portion, if any, of the Debt with respect to which no person or entity has personal or entity liability for payment (the "**Exculpated Portion**"), and with respect to the Exculpated Portion as follows: first, to accrued but unpaid interest, second, to matured principal, and third, to unmatured principal in inverse order of maturity; (3) to the remainder of the Debt as follows: first, to the remaining accrued but unpaid interest, second, to the matured portion of principal of the Debt, and third, to prepayment of the unmatured portion, if any, of principal of the Debt applied to installments of principal in inverse order of maturity; (4) the balance, if any or to the extent applicable, remaining after the full and final payment of the Debt to the holder or beneficiary of any inferior liens covering the Property, if any, in order of the priority of such inferior liens (Lender shall hereby be entitled to rely exclusively on a commitment for title insurance issued to determine such priority); and (5) the cash balance, if any, to the Borrower. The application of proceeds of sale or other proceeds as otherwise provided herein shall be deemed to be a payment of the Debt like any other payment. The balance of the Debt remaining unpaid, if any, shall remain fully due and owing in accordance with the terms of the Note and the other Loan Documents.

Section 10.2 RIGHT OF ENTRY. Lender and its agents shall have the right to enter and inspect the Property at all reasonable times, subject to the rights of the tenants under the Leases.

ARTICLE 11 - INDEMNIFICATION; SUBROGATION

Section 11.1 GENERAL INDEMNIFICATION.

(a) Borrower shall indemnify, defend and hold Lender harmless against: (i) any and all claims for brokerage, leasing, finder's or similar fees which may be made relating to the Property or the Debt, and (ii) any and all liability, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses (including Lender's reasonable attorneys' fees, together with reasonable appellate counsel fees, if any) of whatever kind or nature which may be asserted against, imposed on or incurred by Lender in connection with the Debt, this Security Instrument, the Property, or any part thereof, or the exercise by Lender of any rights or remedies granted to it under this Security Instrument; provided, however, that nothing herein shall be construed to obligate Borrower to indemnify, defend and hold harmless Lender from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses enacted against, imposed on or incurred by Lender by reason of Lender's willful misconduct or gross negligence.

(b) If Lender is made a party defendant to any litigation or any claim is threatened or brought against Lender concerning the Debt, this Security Instrument, the

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Property, or any part thereof, or any interest therein, or the construction, maintenance, operation or occupancy or use thereof, then Lender shall notify Borrower of such litigation or claim and Borrower shall indemnify, defend and hold Lender harmless from and against all liability by reason of said litigation or claims, including reasonable attorneys' fees (together with reasonable appellate counsel fees, if any). The right to such attorneys' fees (together with reasonable appellate counsel fees, if any) and expenses incurred by Lender in any such litigation or claim of the type described in this Subsection 11.1(b), whether or not any such litigation or claim is prosecuted to judgment, shall be deemed to have accrued on the commencement of such claim or action and shall be enforceable whether or not such claim or action is prosecuted to judgment. If Lender commences an action against Borrower to enforce any of the terms hereof or to prosecute any breach by Borrower of any of the terms hereof or to recover any sum secured hereby, Borrower shall pay to Lender its reasonable attorneys' fees (together with reasonable appellate counsel fees, if any, and fees in any bankruptcy or insolvency proceeding) and expenses. If Borrower breaches any term of this Security Instrument, Lender may engage the services of an attorney or attorneys to protect its rights hereunder, and in the event of such engagement following any breach by Borrower, Borrower shall pay Lender reasonable attorneys' fees (together with reasonable appellate counsel fees, if any) and expenses incurred by Lender, whether or not an action is actually commenced against Borrower by reason of such breach. All references to "attorneys" in this Subsection 11.1(b) and elsewhere in this Security Instrument shall include without limitation any attorney or law firm engaged by Lender and Lender's in-house counsel, and all references to "fees and expenses" in this Subsection 11.1(b) and elsewhere in this Security Instrument shall include without limitation any reasonable fees of such attorney or law firm.

(c) A waiver of subrogation shall be obtained by Borrower from its insurance carrier and, consequently, Borrower waives any and all right to claim or recover against Lender, its officers, employees, agents and representatives, for loss of or damage to Borrower, the Property, Borrower's property or the property of others under Borrower's control from any cause insured against or required to be insured against by the provisions of this Security Instrument.

Section 11.2 ENVIRONMENTAL INDEMNIFICATION. Borrower shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all Losses (as hereinafter defined) imposed upon or incurred by or asserted against any Indemnified Parties (other than those arising solely from a state of facts that first came into existence after Lender or any third-party purchaser acquired title to the Property through foreclosure or a deed in lieu thereof), and directly or indirectly arising out of or in any way relating to any one or more of the following: (a) any presence of any Hazardous Substances (as hereinafter defined) in, on, above, or under the Property; (b) any past, present or future Release (as hereinafter defined) of Hazardous Substances in, on, above, under or from the Property; (c) any activity by Borrower, any person or entity affiliated with Borrower, including, without limitation, the Lessee, and any tenant or other user of the Property in connection with any actual or proposed use, treatment, storage, holding, existence, disposition or other Release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Property of any Hazardous

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Substances at any time located in, under, on or above the Property; (d) any activity by Borrower, any person or entity affiliated with Borrower, including, without limitation, the Lessee, and any tenant or other user of the Property in connection with any actual or proposed Remediation (as hereinafter defined) of any Hazardous Substances at any time located in, under, on or above the Property, whether or not such Remediation is voluntary or pursuant to court or administrative order, including but not limited to any removal, remedial or corrective action; (e) any past or present non-compliance or violations of any Environmental Law (as hereinafter defined) (or permits issued pursuant to any Environmental Law) in connection with the Property or operations thereon, including but not limited to any failure by Borrower, any person or entity affiliated with Borrower, and any tenant or other user of the Property to comply with any order of any governmental authority in connection with any Environmental Laws; (f) the imposition, recording or filing or the future imposition, recording or filing of any Environmental Lien (as hereinafter defined) encumbering the Property; (g) any administrative processes or proceedings or judicial proceedings in any way connected with any matter addressed in this Section 11.2; (h) any misrepresentation or inaccuracy in any representation or warranty or material breach or failure to perform any covenants or other obligations under the Environmental Indemnity of even date executed by Borrower; and (i) any diminution in value (to the extent realized by Lender) of the Property in any way connected with any occurrence or other matter referred to in this Section 11.2.

The term "**Environmental Law**" means any present and future federal, state and local laws, statutes, ordinances, rules, regulations and the like, as well as common law, relating to protection of human health or the environment, relating to Hazardous Substances, relating to liability for or costs of Remediation or prevention of Releases of Hazardous Substances or relating to liability for or costs of other actual or threatened danger to human health or the environment. The term "**Environmental Law**" includes, but is not limited to, the following statutes, as amended, any successor thereto, and any regulations promulgated pursuant thereto, and any state or local statutes, ordinances, rules, regulations and the like addressing similar issues: the Comprehensive Environmental Response, Compensation and Liability Act; the Emergency Planning and Community Right-to-Know Act; the Hazardous Substances Transportation Act; the Resource Conservation and Recovery Act (including but not limited to Subtitle I relating to underground storage tanks); the Solid Waste Disposal Act; the Clean Water Act; the Clean Air Act; the Toxic Substances Control Act; the Safe Drinking Water Act; the Occupational Safety and Health Act; the Federal Water Pollution Control Act; the Federal Insecticide, Fungicide and Rodenticide Act; the Endangered Species Act; the National Environmental Policy Act; and the River and Harbors Appropriation Act. The term "**Environmental Law**" also includes, but is not limited to, any present and future federal, state and local laws, statutes, ordinances, rules, regulations and the like, as well as common law: conditioning transfer of property upon a negative declaration or other approval of a governmental authority of the environmental condition of the Property; requiring notification or disclosure of Releases of Hazardous Substances or other environmental condition of the Property to any governmental authority or other person or entity, whether or not in connection with transfer of title to or interest in property; imposing conditions or requirements in connection with permits or other authorization for lawful activity; relating to nuisance, trespass or other causes of action related to the Property; and relating to wrongful death, personal injury, or property or other damage in connection with any physical condition or use of the Property.

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The term "**Environmental Lien**" includes but is not limited to any lien or other encumbrance imposed pursuant to Environmental Law, whether due to any act or omission of Borrower or any other person or entity.

The term "**Hazardous Substances**" includes but is not limited to any and all substances (whether solid, liquid or gas) defined, listed, or otherwise classified as pollutants, hazardous wastes, hazardous substances, hazardous materials, extremely hazardous wastes, or words of similar meaning or regulatory effect under any present or future Environmental Laws or that may have a negative impact on human health or the environment, including but not limited to petroleum and petroleum products, asbestos and asbestos-containing materials, polychlorinated biphenyls, lead, lead-based paints, radon, radioactive materials, flammables and explosives.

The term "**Indemnified Parties**" includes but is not limited to Lender, any person or entity who is or will have been involved in originating the Loan evidenced by the Note, any person or entity who is or will have been involved in servicing the Loan, any person or entity in whose name the encumbrance created by this Security Instrument is or will have been recorded, persons and entities who may hold or acquire or will have held a full or partial interest in the Loan (including but not limited to those who may acquire any interest in Securities, as well as custodians, trustees and other fiduciaries who hold or have held a full or partial interest in the Loan for the benefit of third parties), as well as the respective directors, officers, shareholders, partners, employees, agents, servants, representatives, contractors, subcontractors, affiliates, subsidiaries, participants, successors and assigns of any and all of the foregoing (including but not limited to any other person or entity who holds or acquires or will have held a participation or other full or partial interest in the Loan or the Property, whether during the term of the Loan or as part of or following foreclosure pursuant to the Loan) and including but not limited to any successors by merger, consolidation or acquisition of all or a substantial part of Lender's assets and business.

The term "**Losses**" includes but is not limited to any claims, suits, liabilities (including but not limited to strict liabilities), administrative or judicial actions or proceedings, obligations, debts, damages, losses, costs, expenses, diminutions in value, fines, penalties, charges, fees, expenses, costs of Remediation (whether or not performed voluntarily), judgments, awards, amounts paid in settlement, consequential damages (actually incurred), litigation costs, attorneys' fees, engineer's fees, environmental consultants' fees and investigation costs (including but not limited to costs for sampling, testing and analysis of soil, water, air, building materials, and other materials and substances whether solid, liquid or gas), of whatever kind or nature, and whether or not incurred in connection with any judicial or administrative proceedings.

The term "**Release**" with respect to any Hazardous Substance includes but is not limited to any release, deposit, discharge, emission, leaking, leaching, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Substances.

The term "**Remediation**" includes but is not limited to any response, remedial, removal, or corrective action; any activity to cleanup, detoxify, decontaminate, contain or otherwise remediate any Hazardous Substance; any actions to prevent, cure or mitigate any Release of any Hazardous Substance; any action to comply with any Environmental Laws or with any permits

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issued pursuant thereto; any inspection, investigation, study, monitoring, assessment, audit, sampling and testing, laboratory or other analysis, or evaluation relating to any Hazardous Substances or to anything referred to in this Article 11.

Section 11.3 SECURITIZATION INDEMNIFICATION.

(a) Borrower understands that certain of the Provided Information (hereinafter defined) may be included in disclosure documents in connection with the Securitization, including, without limitation, one or more preliminary or final prospectus, prospectus supplement, private placement memorandum, offering circular or other offering document (each a "**Disclosure Document**"), and may also be included in filings with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the "**Securities Act**"), or the Securities and Exchange Act of 1934 ("**Exchange Act**"), or provided or made available to investors or prospective investors in the Securities, the Rating Agencies, and service providers relating to the Securitization. In the event that the Disclosure Document is required to be revised prior to the sale of all Securities, Borrower will cooperate with the holder of the Note in updating the Disclosure Document by providing all current information reasonably necessary to keep the Disclosure Document accurate and complete in all material respects.

(b) Borrower agrees to provide in connection with each of (i) a preliminary and a private placement memorandum or (ii) a preliminary and final prospectus or prospectus supplement, as applicable, within fifteen (15) business days after receipt of a copy of such memorandum, prospectus or supplement, an indemnification certificate (A) certifying that Borrower has carefully examined such memorandum or prospectus, as applicable, including without limitation, the sections entitled "Special Considerations," "Description of the Mortgages," "Description of the Mortgage Loans and Mortgaged Property," "The Property Manager," "The Borrower" and "Certain Legal Aspects of the Mortgage Loan," and the information provided directly by Borrower or SPE Principal (or directly by an agent, consultant, lawyer, or accountant at the direction of and on behalf of Borrower or SPE Principal) in such sections (and any other sections reasonably requested), if accurately reproduced in such memorandum, prospectus or supplement, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading in any material respect, (B) indemnifying Lender (and for purposes of this Section 11.3, Lender hereunder shall include its officers and directors), the affiliate of Lender, if applicable, that has filed the registration statement relating to the Securitization (the "**Registration Statement**"), each of its directors, each of its officers who have signed the Registration Statement and each person or entity who controls the affiliate within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively, the "**Lender Group**"), and if applicable, each of its directors and each person or entity who controls Lender within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act (collectively, the "**Underwriter Group**") for any losses, claims, damages (excluding consequential damages) or liabilities (collectively, the "**Liabilities**") to which Lender, the Lender Group or the Underwriter Group may become subject insofar as the Liabilities arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the

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information provided directly by Borrower or SPE Principal (or directly by an agent, consultant, lawyer, or accountant at the direction of and on behalf of Borrower or SPE Principal) in such sections or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated in such sections or necessary in order to make the statements in such sections or in light of the circumstances under which they were made, not misleading in any material respect and (C) agreeing to reimburse Lender, the Lender Group and the Underwriter Group for any reasonable legal or other expenses reasonably incurred by Lender in connection with investigating or defending the Liabilities; provided, however, that Borrower will be liable in any such case under clauses (A), (B) or (C) above only to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or omission made therein in reliance upon and in conformity with information furnished directly to Lender by or on behalf of Borrower in connection with the preparation of the memorandum or prospectus or in connection with the underwriting of the debt, including, without limitation, financial statements of Borrower, operating statements, rent rolls, environmental site assessment reports and property condition reports with respect to the Property. This indemnity agreement will be in addition to any liability which Borrower may otherwise have. Moreover, the indemnification provided for in clauses (B) and (C) above shall be effective whether or not an indemnification certificate described in (A) above is provided and shall be applicable based on information previously provided by Borrower or its Affiliates if Borrower does not provide the indemnification certificate. Notwithstanding the foregoing, no indemnification shall be required with respect to liabilities arising from the gross negligence or willful misconduct of Lender, the Lender Group or the Underwriter Group or with respect to information not provided directly by Borrower or SPE Principal or by an agent, consultant, lawyer, or accountant on behalf of and at the direction of Borrower or SPE Principal to Lender.

(c) In connection with filings under the Exchange Act, Borrower agrees to indemnify (i) Lender, the Lender Group and the Underwriter Group for Liabilities to which Lender, the Lender Group or the Underwriter Group may become subject insofar as the Liabilities arise out of or are based upon the omission or alleged omission to state in the Provided Information (excluding information not provided directly by Borrower or SPE Principal or by an agent, consultant, lawyer, or accountant on behalf of Borrower or SPE Principal) a material fact required to be stated in the Provided Information in order to make the statements in the Provided Information (excluding information not provided directly by Borrower or SPE Principal or by an agent, consultant, lawyer, or accountant on behalf of Borrower or Borrower Principal), in light of the circumstances under which they were made not misleading in any material respect and (ii) reimburse Lender, the Lender Group or the Underwriter Group for any reasonable legal or other expenses reasonably incurred by Lender, the Lender Group or the Underwriter Group in connection with defending or investigating the Liabilities.

(d) Promptly after receipt by an indemnified party under this Section 11.3 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 11.3, notify the indemnifying party in writing of the commencement thereof, but the omission to so notify the indemnifying party will not relieve the indemnifying party from any

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liability which the indemnifying party may have to any indemnified party hereunder except to the extent that failure to notify causes prejudice to the indemnifying party. In the event that any action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled, jointly with any other indemnifying party, to participate therein and, to the extent that it (or they) may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party. After notice from the indemnifying party to such indemnified party under this Section 11.3, the indemnifying party shall not be responsible for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there are any legal defenses available to it and/or other indemnified parties that are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party to parties. The indemnifying party shall not be liable for the expenses of more than one such separate counsel unless an indemnified party shall have reasonably concluded that there may be legal defenses available to it that are different from or additional to those available to another indemnified party.

(e) In order to provide for just and equitable contribution in circumstances in which the indemnity agreements provided for in Section 11.3(b) or (c) is or are for any reason held to be unenforceable by an indemnified party in respect of any Losses (or action in respect thereof) referred to therein which would otherwise be indemnifiable under Section 11.3(b) or (c), the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such Losses (or action in respect thereof); provided, however, that no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation. In determining the amount of contribution to which the respective parties are entitled, the following factors shall be considered: (i) Lender's and Borrower's relative knowledge and access to information concerning the matter with respect to which claim was asserted; (ii) the opportunity to correct and prevent any statement or omission; and (iii) any other equitable considerations appropriate in the circumstances. Lender and Borrower hereby agree that it would not be equitable if the amount of such contribution were determined by pro rata or per capita allocation.

The liabilities and obligations of both Borrower and Lender under this Section 11.3 shall survive the termination of this Agreement and the satisfaction and discharge of the Debt.

Section 11.4 DUTY TO DEFEND AND ATTORNEYS AND OTHER FEES AND EXPENSES. Upon written request by any Indemnified Party, Borrower shall defend such Indemnified Party (if requested by any Indemnified Party, in the name of the Indemnified Party) by using attorneys and other professionals reasonably approved by the Indemnified Parties. If Borrower does not provide a defense by attorneys and other professionals reasonably satisfactory

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to Indemnified Parties, any Indemnified Parties may, in their reasonable discretion, engage their own attorneys and other professionals to defend or assist them, and, at the option of Indemnified Parties, their attorneys shall control the resolution of claim or proceeding. Upon demand, Borrower shall pay or, in the sole and absolute discretion of the Indemnified Parties, reimburse, the Indemnified Parties for the payment of reasonable fees and disbursements of attorneys, engineers, environmental consultants, laboratories and other professionals in connection therewith.

Section 11.5 SURVIVAL OF INDEMNITIES. Notwithstanding any provision of this Security Instrument or any other Loan Document to the contrary, the provisions of Section 11.1, Section 11.2 and Section 11.3, and Borrower's obligations thereunder, shall survive (a) the repayment of the Note, (b) the foreclosure of this Security Instrument, and (c) the release (or reconveyance, as applicable) of the lien of this Security Instrument.

ARTICLE 12 - SECURITY AGREEMENT

Section 12.1 SECURITY AGREEMENT. This Security Instrument is both a real property mortgage and a "security agreement" within the meaning of the Uniform Commercial Code. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Borrower in the Property. Borrower by executing and delivering this Security Instrument has granted and hereby grants to Lender, as security for the Obligations, a security interest in the Property to the full extent that the Property may be subject to the Uniform Commercial Code (said portion of the Property so subject to the Uniform Commercial Code being called in this paragraph the "Collateral"). Borrower hereby authorizes Lender to prepare and file, in form and substance satisfactory to Lender, such financing statements, continuation statements, other uniform commercial code forms and shall pay all expenses and fees in connection with the filing and recording thereof, and such further assurances as Lender may from time to time, reasonably consider necessary to create, perfect, and preserve Lender's security interest herein granted. This Security Instrument shall also be effective as a "fixture filing" as to property which is or is to become fixtures. Information concerning the security interest herein granted may be obtained from the parties at the addresses of the parties set forth in the first paragraph of this Security Instrument. If an Event of Default shall occur, Lender, in addition to any other rights and remedies which they may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Lender may deem necessary for the care, protection and preservation of the Collateral. Upon written request or demand of Lender, Borrower shall at its expense assemble the Collateral and make it available to Lender at a convenient place reasonably acceptable to Lender. Borrower shall pay to Lender on demand any and all expenses, including reasonable legal expenses and reasonable attorneys' fees, incurred or paid by Lender in protecting the interest in the Collateral and in enforcing the rights hereunder with respect to the Collateral. Any notice of sale, disposition or other intended action by Lender with respect to the Collateral sent to Borrower in accordance with the provisions hereof at least ten (10) days prior to such action, shall constitute commercially reasonable notice to Borrower. The proceeds of any disposition of the Collateral, or any part thereof, may be applied by Lender to the payment of the Obligations in such priority and proportions as Lender in its discretion shall deem proper.

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Borrower shall promptly advise Lender of the accrual of any commercial tort claims involving the Property. In the event of any change in name, identity, structure, or jurisdiction or form of organization of any Borrower, such Borrower shall notify Lender thereof, and Lender shall be authorized to prepare and file such Uniform Commercial Code forms as Lender may deem necessary to maintain the priority of Lender's lien upon and security interest in the Collateral, and Borrower shall pay all expenses and fees in connection with such filing. Lender shall also be authorized to prepare and file such other additional Uniform Commercial Code forms or continuation statements as Lender shall deem necessary, and Borrower shall pay all expenses and fees in connection with the filing thereof, it being understood and agreed, however, that no such additional documents shall increase Borrower's obligations under the Note, this Security Instrument and the Other Loan Documents. Borrower hereby irrevocably appoints Lender as its attorney-in-fact, coupled with an interest, to file with the appropriate public office on its behalf any financing or other statements signed only by Lender, as Borrower's attorney-in-fact, in connection with the Collateral covered by this Security Instrument. Notwithstanding the foregoing, Borrower shall appear and defend in any action or proceeding which affects or purports to affect the Property and any interest or right therein, whether such proceeding effects title or any other rights in the Property (and in conjunction therewith, Borrower shall fully cooperate with Lender in the event Lender is a party to such action or proceeding).

Section 12.2 FIXTURE FILING INFORMATION. The information in the subsections below this paragraph is provided in connection with the filing of this Security Instrument as a financing statement as referred to above, and the Borrower hereby represents and warrants such information to be true and complete as of the date of this Security Instrument.

(a) The Borrower is the record owner of the real estate described in this Security Instrument. The name and mailing address of the record owner of the real estate described in this Security Instrument is set forth in the first paragraph of this Security Instrument.

(b) For purposes of the Uniform Commercial Code, Borrower is the Debtor. The name, mailing address, type of organization and state of formation of the Debtor (Borrower) is set forth in the first paragraph of this Security Instrument. The Organizational Identification Number of the Borrower is 4298642.

(c) For purposes of the Uniform Commercial Code, the Lender is the Secured Party. The name and mailing address of the Secured Party (Lender) is:

JPMorgan Chase Bank, N.A.
c/o Centerline Servicing Inc.
5221 North O'Connor Boulevard, Suite 600
Irving, Texas 75039
Attention: Wesley Wolf
Facsimile No.: (972) 868-5493

(d) This document covers goods which are or are to become fixtures.

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ARTICLE 13 - WAIVERS

Section 13.1 MARSHALLING AND OTHER MATTERS. Borrower hereby waives, to the extent permitted by law, the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Property or any part thereof or any interest therein. Further, Borrower hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Security Instrument on behalf of Borrower, and on behalf of each and every person acquiring any interest in or title to the Property subsequent to the date of this Security Instrument and on behalf of all persons to the extent permitted by applicable law.

Section 13.2 WAIVER OF NOTICE. Borrower shall not be entitled to any notices of any nature whatsoever from Lender except with respect to matters for which this Security Instrument specifically and expressly provides for the giving of notice by Lender to Borrower and except with respect to matters for which Lender is required by applicable law to give notice, and Borrower hereby expressly waives the right to receive any notice from Lender with respect to any matter for which this Security Instrument does not specifically and expressly provide for the giving of notice by Lender to Borrower.

Section 13.3 SOLE DISCRETION OF LENDER. Wherever pursuant to this Security Instrument Lender exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to Lender, the decision of Lender to approve or disapprove or to decide that arrangements or terms are satisfactory or not satisfactory shall be in the sole discretion of Lender, and shall be final and conclusive, except as may be otherwise expressly and specifically provided herein.

Section 13.4 SURVIVAL. The indemnifications made pursuant to Article 11, shall continue indefinitely in full force and effect and shall survive and shall in no way be impaired by: any satisfaction or other termination of this Security Instrument, any assignment or other transfer of all or any portion of this Security Instrument or Lender's interest in the Property (but, in such case, shall benefit both Indemnified Parties and any assignee or transferee), any exercise of Lender's rights and remedies pursuant hereto including but not limited to foreclosure or acceptance of a deed in lieu of foreclosure, any exercise of any rights and remedies pursuant to the Note or any of the Other Loan Documents, any transfer of all or any portion of the Property (whether by Borrower or by Lender following foreclosure or acceptance of a deed in lieu of foreclosure or at any other time), any amendment to this Security Instrument, the Note or the Other Loan Documents, and any act or omission that might otherwise be construed as a release or discharge of Borrower from the obligations pursuant hereto.

Section 13.5 WAIVER OF TRIAL BY JURY. BORROWER AND LENDER HEREBY AGREE NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS SECURITY INSTRUMENT, THE NOTE OR THE OTHER LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH INCLUDING, BUT NOT LIMITED TO THOSE RELATING TO (A) ALLEGATIONS THAT A PARTNERSHIP EXISTS BETWEEN LENDER AND

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BORROWER; (B) USURY OR PENALTIES OR DAMAGES THEREFOR; (C) ALLEGATIONS OF UNCONSCIONABLE ACTS, DECEPTIVE TRADE PRACTICE, LACK OF GOOD FAITH OR FAIR DEALING, LACK OF COMMERCIAL REASONABLENESS, OR SPECIAL RELATIONSHIPS (SUCH AS FIDUCIARY, TRUST OR CONFIDENTIAL RELATIONSHIP); (D) ALLEGATIONS OF DOMINION, CONTROL, ALTER EGO, INSTRUMENTALITY, FRAUD, REAL ESTATE FRAUD, MISREPRESENTATION, DURESS, COERCION, UNDUE INFLUENCE, INTERFERENCE OR NEGLIGENCE; (E) ALLEGATIONS OF TORTIOUS INTERFERENCE WITH PRESENT OR PROSPECTIVE BUSINESS RELATIONSHIPS OR OF ANTITRUST; OR (F) SLANDER, LIBEL OR DAMAGE TO REPUTATION. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BORROWER AND LENDER, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. BORROWER AND LENDER ARE HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY BORROWER OR LENDER.

Section 13.6 WAIVER OF AUTOMATIC OR SUPPLEMENTAL STAY. In the event of the filing of any voluntary or involuntary petition under the Bankruptcy Code by or against Borrower (other than an involuntary petition filed by or joined in by Lender), the Borrower shall not assert, or request any other party to assert, that the automatic stay under § 362 of the Bankruptcy Code shall operate or be interpreted to stay, interdict, condition, reduce or inhibit the ability of Lender to enforce any rights it has by virtue of this Security Instrument, or any other rights that Lender has, whether now or hereafter acquired, against any guarantor of the Debt. Further, Borrower shall not seek a supplemental stay or any other relief, whether injunctive or otherwise, pursuant to § 105 of the Bankruptcy Code or any other provision therein to stay, interdict, condition, reduce or inhibit the ability of Lender to enforce any rights it has by virtue of this Security Instrument against any guarantor of the Debt. The waivers contained in this paragraph are a material inducement to Lender's willingness to enter into this Security Instrument and Borrower acknowledges and agrees that no grounds exist for equitable relief which would bar, delay or impede the exercise by Lender of Lender's rights and remedies against Borrower or any guarantor of the Debt.

ARTICLE 14 - NOTICES

Section 14.1 NOTICES. All notices or other written communications hereunder shall be deemed to have been properly given (i) upon delivery, if delivered in person or by facsimile transmission with receipt acknowledged, (ii) one (1) Business Day after having been deposited for overnight delivery with any reputable overnight courier service, or (iii) three (3) Business Days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by registered or certified mail, postage prepaid, addressed as follows:

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If to Borrower: HRHC Delaware, LLC
c/o Becker Lodging Management, LLC
11780 U.S. Highway One, Suite 202
Palm Beach Gardens, FL 33408
Attention: B Thomas Goodwin
Facsimile No.: (561) 630-8268

With a copy to: Jenner & Block LLP
330 North Wabash Avenue
Chicago, IL 60611-7603
Attention: Donald I. Resnick, Esq.
Facsimile No.: (312) 840-7656

If to Lessee HRH Chicago, LLC
c/o Becker Lodging Management, LLC
11780 U.S. Highway One, Suite 202
Palm Beach Gardens, FL 33408
Attention: B Thomas Goodwin
Facsimile No.: (561) 630-8268

With a copy to: Jenner & Block LLP
330 North Wabash Avenue
Chicago, IL 60611-7603
Attention: Donald I. Resnick, Esq.
Facsimile No.: (312) 840-7656

If to Lender: JPMorgan Chase Bank, N.A.
c/o Centerline Servicing Inc.
5221 North O'Connor Boulevard, Suite 600
Irving, Texas 75039
Attention: Wesley Wolf
Facsimile No.: (972) 868-5493

With a copy to: Stites & Harbison, PLLC
400 West Market Street, Suite 1800
Louisville, Kentucky 40202
Attention: Barry A. Hines, Esq.
Facsimile No.: (502) 587-6391

or addressed as such party may from time to time designate by written notice to the other parties. For purposes of this subsection, the term "**Business Day**" shall mean a day on which commercial banks are not authorized or required by law to close in New York, New York.

Any party by notice to the other parties may designate additional or different addresses for subsequent notices or communications.

ARTICLE 15 - APPLICABLE LAW

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Section 15.1 GOVERNING LAW; JURISDICTION. This Security Instrument shall be governed by and construed in accordance with applicable federal law and the laws of the state where the Property is located, without reference or giving effect to any choice of law doctrine. Borrower hereby irrevocably submits to the jurisdiction of any court of competent jurisdiction located in the state in which the Property is located in connection with any proceeding arising out of or relating to this Security Instrument.

Section 15.2 USURY LAWS. This Security Instrument and the Note are subject to the express condition that at no time shall Borrower be obligated or required to pay interest on the Debt at a rate which could subject the holder of the Note to either civil or criminal liability as a result of being in excess of the maximum interest rate which Borrower is permitted by applicable law to contract or agree to pay. If by the terms of this Security Instrument or the Note, Borrower is at any time required or obligated to pay interest on the Debt at a rate in excess of such maximum rate, the rate of interest under the Security Instrument and the Note shall be deemed to be immediately reduced to such maximum rate and the interest payable shall be computed at such maximum rate and all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of the principal balance of the Note. All sums paid or agreed to be paid to Lender for the use, forbearance, or detention of the Debt shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Note until payment in full so that the rate or amount of interest on account of the Debt does not exceed the maximum lawful rate of interest from time to time in effect and applicable to the Debt for so long as the Debt is outstanding.

Section 15.3 PROVISIONS SUBJECT TO APPLICABLE LAW. All rights, powers and remedies provided in this Security Instrument may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Security Instrument invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Security Instrument or any application thereof shall be invalid or unenforceable, the remainder of this Security Instrument and any other application of the term shall not be affected thereby.

ARTICLE 16 - SECONDARY MARKET

Section 16.1 SALE OF NOTES AND SECURITIZATION. Lender may, at any time, sell, transfer or assign the Note, this Security Instrument and the Other Loan Documents, and any or all servicing rights with respect thereto, or grant participations therein or issue mortgage pass-through certificates or other securities (the "Securities") evidencing a beneficial interest in a rated or unrated public offering or private placement (the "Securitization"). Lender may forward to each purchaser, transferee, assignee, servicer, participant, investor in such Securities or any Rating Agency (as hereinafter defined) rating such Securities (collectively, the "Investor") and each prospective Investor, all documents and information which Lender now has or may hereafter acquire relating to the Debt and to Borrower, any Guarantor and the Property, whether furnished by Borrower, any Guarantor or otherwise, as Lender reasonably determines necessary or desirable. The term "Rating Agency" shall mean each statistical rating agency that has assigned a rating to the Securities. At the request of the holder of the Note and, to the extent not already required to be provided by Borrower under this Security Instrument, Borrower, at

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Borrower's expense, shall satisfy the market standards to which the holder of the Note customarily adheres provided that Borrower shall not be required to satisfy any standards that are not reasonably required in the marketplace or reasonably required by the Rating Agencies in connection with a Securitization or the sale of the Note or the participations or Securities, including, without limitation, to:

(a) if Lender elects, in its sole discretion, prior to or upon a Securitization, to split the Loan into two or more parts, or the Note into multiple component notes or tranches which may have different interest rates, amortization payments, principal amounts and maturities, Borrower agrees to cooperate with Lender in connection with the foregoing and to execute the required modifications and amendments to the Note, this Security Instrument and the Loan Documents and to provide opinions necessary to effectuate the same. Such Notes or components may be assigned different interest rates, so long as the initial weighted average of such interest rates does not exceed the Applicable Interest Rate (as defined in the Note);

(b) execute modifications to the Loan Documents changing the interest rate and/or the amortization payments for the Loan, provided that the initial weighted average of the interest rate spreads for the Loan after such modification shall not exceed the weighted average of the interest rate spreads for the Loan immediately prior to such modification. The Borrower shall also provide opinions reasonably necessary to effectuate the same;

(c) make such representations and warranties as of the closing date of the Securitization with respect to the Property Borrower and the Loan Documents as are customarily provided in securitization transactions and as may be reasonably requested by the holder of the Note or the Rating Agencies and consistent with the facts covered by such representations and warranties as they exist on the date thereof, including the representations and warranties made in the Loan Documents; and

(d) tenant estoppel certificates from the tenants in accordance with the Leases and a comfort letter from each Franchisor in the form of the comfort letter dated as of the date hereof.

All reasonable third party costs and expenses incurred by Lender or Borrower in connection with Borrower's complying with requests made under this Section 16.1 shall be paid by Borrower. Notwithstanding anything to the contrary contained herein or in any Loan Document, in no event shall Borrower be required to provide an estoppel certificate from Chevron, amend the operating agreement of Lessee, Borrower or any affiliate, take any action or amend any document that would adversely affect the Tax Credits, or obtain any agreement, certification or other document from the City, the Franchisor or Lessee other than as provided in Section 16.1(d).

ARTICLE 17 - COSTS

Section 17.1 PERFORMANCE AT BORROWER'S EXPENSE. Borrower acknowledges and confirms that Lender shall impose certain administrative processing fees in

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connection with (a) the extension, renewal, modification, amendment and termination (excluding the scheduled maturity of the Note) of the Loan, (b) the release or substitution of collateral therefor, (c) obtaining certain consents, waivers and approvals with respect to the Property, (d) reviewing leases, easements, or any other document submitted by or on behalf of Borrower to Lender for review or approval, or (e) determining, at Borrower's request, Borrower's satisfaction of any condition under the Loan Documents (the occurrence of any of the above shall be called an "Event"). Borrower hereby acknowledges and agrees to pay, immediately, upon demand, all such fees (as the same may be increased or decreased from time to time), and any additional reasonable fees of a similar type or nature which may be imposed by Lender from time to time, upon the occurrence of any Event.

Section 17.2 ATTORNEY'S FEES FOR ENFORCEMENT. (a) Borrower shall pay all reasonable legal fees incurred by Lender in connection with (i) the preparation of the Note, this Security Instrument and the Other Loan Documents and (ii) the items set forth in Section 17.1 above, and (b) Borrower shall pay to Lender on demand any and all reasonable expenses, including reasonable outside legal expenses and reasonable attorneys' fees, incurred or paid by Lender in protecting its interest in the Property or Personal Property and/or collecting any amount payable or in enforcing its rights hereunder with respect to the Property or Personal Property, whether or not any legal proceeding is commenced hereunder or thereunder and whether or not any default or Event of Default shall have occurred and is continuing, together with interest thereon at the Default Rate from the date of payment or incurring by Lender until paid by Borrower.

ARTICLE 18 - DEFINITIONS

Section 18.1 GENERAL DEFINITIONS. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Security Instrument may be used interchangeably in singular or plural form and the word "**Borrower**" shall mean "each Borrower and any subsequent owner or owners of the Property or any part thereof or any interest therein," the word "**Lender**" shall mean "Lender and any subsequent holder of the Note," the word "**Note**" shall mean "the Note and any other evidence of indebtedness secured by this Security Instrument," the word "**person**" shall include an individual, corporation, partnership, trust, unincorporated association, government, governmental authority, and any other entity, the word "**Property**" shall include any portion of the Property and any interest therein, and the phrases "**attorneys' fees**," "**legal fees**" and "**counsel fees**" shall mean only reasonable attorneys', paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels incurred or paid by Lender in protecting its interest in the Property, the Leases and the Rents and enforcing its rights hereunder.

ARTICLE 19 - MISCELLANEOUS PROVISIONS

Section 19.1 NO ORAL CHANGE. This Security Instrument, the Note, and the Other Loan Documents and any provisions hereof or thereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom

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enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 19.2 LIABILITY. If Borrower consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several. This Security Instrument shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns forever.

Section 19.3 INAPPLICABLE PROVISIONS. If any term, covenant or condition of the Note or this Security Instrument is held to be invalid, illegal or unenforceable in any respect, the Note and this Security Instrument shall be construed without such provision.

Section 19.4 HEADINGS, ETC. The headings and captions of various Sections of this Security Instrument are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 19.5 DUPLICATE ORIGINALS; COUNTERPARTS. This Security Instrument may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Security Instrument may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Security Instrument. The failure of any party hereto to execute this Security Instrument, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

Section 19.6 NUMBER AND GENDER. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

Section 19.7 SUBROGATION. If any or all of the proceeds of the Note have been used to extinguish, extend or renew any indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Lender shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Lender and are merged with the lien and security interest created herein as cumulative security for the repayment of the Debt, the performance and discharge of Borrower's obligations hereunder, under the Note and the Other Loan Documents and the performance and discharge of the Other Obligations.

Section 19.8 ENTIRE AGREEMENT. The Note, this Security Instrument and the Other Loan Documents constitute the entire understanding and agreement between Borrower and Lender with respect to the transactions arising in connection with the Debt and supersede all prior written or oral understandings and agreements between Borrower and Lender with respect thereto. Borrower hereby acknowledges that, except as incorporated in writing in the Note, this Security Instrument and the Other Loan Documents, there are not, and were not, and no persons are or were authorized by Lender to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the transaction which is the subject of the Note, this Security Instrument and the Other Loan Documents.

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ARTICLE 20 - SPECIAL STATE OF ILLINOIS PROVISIONS

Section 20.1 PRINCIPALS OF CONSTRUCTION. In the event of any inconsistencies between the terms and conditions of this Article 20 and any other terms and conditions of this Security Instrument, the terms and conditions of this Article 20 shall control and be binding.

Section 20.2 ILLINOIS MORTGAGE FORECLOSURE LAW. In the event that any provision in this Security Instrument shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-1101 et seq., as amended from time to time, the "Act"), the provisions of the Act shall take precedence over the provisions of this Security Instrument, but shall not invalidate or render unenforceable any other provision of this Security Instrument that can be construed in a manner consistent with the Act.

If any provision of this Security Instrument shall grant to Lender any rights or remedies upon the occurrence and during the continuation of an Event of Default of Borrower which are more limited than the rights that would otherwise be vested in Lender under the Act in the absence of said provision, Lender shall be vested with the rights granted in the Act to the full extent permitted by law.

Without limiting the generality of the foregoing, all expenses incurred by Lender upon the occurrence and during the continuation of an Event of Default to the extent reimbursable under Sections 15-1510 and 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in this Security Instrument, shall be added to the Debt secured by this Security Instrument or by the judgment of foreclosure.

Borrower acknowledges that the transaction of which this Security Instrument is a part is a transaction which does not include either agricultural real estate (as defined in Section 15-1201 of the Act) or residential real estate (as defined in Section 15-1219 of the Act), and upon the occurrence and during the continuation of an Event of Default to the full extent permitted by law, hereby voluntarily and knowingly waives its rights to reinstatement and redemption to the extent allowed under Section 15-1601(b) of the Act, and to the full extent permitted by law, the benefits of all present and future valuation, appraisal, homestead, exemption, stay, redemption and moratorium laws under any state or federal law.

Section 20.3 RECEIVER. In addition to any provision of this Security Instrument authorizing the Lender to take or be placed in possession of the Property, or for the appointment of a receiver, Lender shall have the right, in accordance with Sections 15-1701 and 15-1702 of the Act, to be placed in possession of the Property or at its request to have a receiver appointed, and such receiver, or Lender, if and when placed in possession, shall have, in addition to any other powers provided in this Security Instrument, all powers, immunities and duties as provided for in the aforementioned sections of the Act.

Section 20.4 MAXIMUM AMOUNT SECURED. The maximum principal indebtedness secured by this Security Instrument shall not exceed \$139,000,000.00.

Section 20.5 PURPOSE OF LOAN. The entire proceeds of the loan evidenced by the Note constitute "business loan" as that term is used in Illinois Compiled Statutes, Chapter 815,

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Act 205, Section 4, and the beneficiary of Borrower is a "business" as that term is defined in said Illinois Compiled Statutes, Chapter 815, Act 205, Section 4.

ARTICLE 21 - SECURITY AGREEMENT AND ASSIGNMENT OF CONTRACTS PROVISIONS

In connection with the Borrower's assignment and pledge of the Security Agreement and Assignment of Contracts to Lender pursuant to this Security Instrument, Borrower hereby makes the following warranties, representations and covenants to Lender:

- (a) Borrower hereby irrevocably directs the grantor or licensor of or the contracting party under the Lessee Contracts (as defined in the Security Agreement and Assignment of Contracts), to the extent permitted by the Lessee Contracts and under any recognition or other agreement executed by such grantor, licensor or contracting party, upon Lender's unilateral demand, to recognize and accept Lender as the holder of the Lessee Contracts for any and all purposes as fully as it would recognize and accept Borrower or Lessee and Borrower's or Lessee's performance thereunder;
- (b) Subject to the other provisions of this Security Instrument and the Loan Documents, for so long as no Lease Default (as defined in the Security Agreement and Assignment of Contracts) shall have occurred and be continuing, Lessee may exercise all of its rights and privileges under the Lessee Contracts. Lessee's, and Borrower's (if applicable), rights under the immediately preceding sentence shall immediately cease and terminate upon and during the continuance of any such Lease Default;
- (c) Borrower has the full power, right and authority to assign the Security Agreement and Assignment of Contracts to Lender;
- (d) Borrower has not sold, assigned, transferred, mortgaged, pledged or otherwise hypothecated any such right or interest under the Lessee Contracts to any person other than Lender and has not executed any other document or instrument that might prevent or limit Lender from operating under or realizing the benefits of the terms, conditions and provisions of this Security Instrument;
- (e) No authorizations, consents, approvals, licenses, permits, filings or registrations with any governmental authority or agency are necessary for the execution, delivery or performance by Borrower of this Security Instrument in connection with the assignment of the Security Agreement and Assignment of Contracts or for the validity or enforceability of such assignment;
- (f) Borrower has delivered, or caused to be delivered, to Lender a true, correct and completely executed copy of the Lessee Contracts, which are valid and enforceable in accordance with their terms, are in full force and effect and, as of the date hereof and have not been canceled, amended, modified, assigned, supplemented or superseded in any manner whatsoever;
- (g) Borrower shall timely perform and observe all of Borrower's covenants, conditions, obligations and agreements, if any (and use reasonable efforts to require

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Lessee to timely perform and observe all of Lessee's covenants, conditions, obligations and agreements), under the Lessee Contracts and shall not suffer or permit any material delinquency on its part to exist thereunder;

(h) Except as otherwise expressly permitted herein or in the Security Agreement and Assignment of Contracts or in any other Loan Document, Borrower shall not and shall not allow Lessee to, without Lender's prior written consent: (i) sell, assign, transfer, mortgage, pledge or otherwise hypothecate the Lessee Contracts or any right or interest therein or thereunder, or (ii) cancel, terminate, amend, supplement or modify the Lessee Contracts, except for non-material changes in the ordinary course of business;

(i) Borrower shall use commercially reasonable efforts to (or cause Lessee to) enforce or secure the performance of each and every material obligation, covenant, condition and agreement to be performed by the tenants under any leases to ensure that tenants maintain the Lessee Contracts;

(j) Nothing contained herein shall operate or be construed to obligate Lender to perform any of the terms, covenants or conditions contained in the Lessee Contracts or otherwise to impose any obligation upon Lender with respect to the Lessee Contracts. Notwithstanding anything herein to the contrary: (i) the operating tenants shall remain liable in respect of the Lessee Contracts to the extent set forth therein to perform and satisfy all of its duties and obligations thereunder to the same extent as if this Security Instrument had not been executed and (ii) Lender's exercise of any rights or remedies hereunder shall not release Borrower from any of Borrower's duties, obligations or liabilities under the Lessee Contracts;

(k) Borrower shall (and shall require Lessee to), from time to time upon Lender's written request, promptly execute and deliver such further documents and take such further action as Lender may reasonably request in order to create, preserve, perfect, protect or confirm the assignment granted hereby or to enable Lender to exercise and enforce its rights and remedies hereunder. All of the foregoing shall be undertaken at Borrower's expense, including, without limitation: (a) all filing, registration and recording fees, if any; and (b) all stamp taxes and other taxes, charges and similar impositions in connection therewith; and

ARTICLE 22 - OPERATING LEASE PROVISIONS

(a) Borrower will, or, if applicable, will cause Lessee to: (i) observe all applicable terms, covenants, obligations and conditions of this Security Instrument, (ii) pay the rent reserved by the Operating Lease and/or HTC Pass-Through Agreement, as applicable, as the same becomes due and payable; (iii) promptly perform and observe all of the covenants, agreements, obligations and conditions required to be performed and observed by the Lessee under the Operating Lease and HTC Pass-Through Agreement, and do all things necessary to preserve and keep unimpaired its rights thereunder; (iv) promptly notify Lender in writing of the commencement of a proceeding under the federal bankruptcy laws by or against Lessee; (v) promptly notify Lender in writing of the commencement of a proceeding under the federal bankruptcy laws by or against

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Lessee of which Borrower becomes aware; (vi) if any of the indebtedness secured hereby remains unpaid at the time when notice may be given under the Operating Lease or HTC Pass-Through Agreement, as applicable, of the exercise of any right to renew or extend the term of the Operating Lease or HTC Pass-Through Agreement, as applicable, promptly give notice to the Lender of the exercise of such right of extension or renewal; (vii) in case any proceeds of insurance required to be maintained by Borrower in accordance with Section 3.2 hereof are deposited with any person other than Lender, promptly notify Lender in writing of the name and address of the person with whom such proceeds have been deposited and the amount so deposited; (viii) provide the Lender in writing a copy of any notice (other than notices customarily sent on a regular periodic basis) from the Borrower under the Operating Lease or HTC Pass-Through Agreement, as applicable, claiming any default by the Lessee in the performance or observance of any of the terms, covenants, or conditions on the part of the Lessee to be performed or observed under the Operating Lease or HTC Pass-Through Agreement, as applicable; (ix) promptly notify the Lender in writing of the receipt by the Borrower of any termination of the Operating Lease or HTC Pass-Through Agreement, as applicable; (x) promptly cause a copy of each such notice received by the Borrower under the Operating Lease or HTC Pass-Through Agreement, as applicable, to be delivered to the Lender, and (xi) promptly notify Lender in writing of any request made by either party to the Operating Lease or HTC Pass-Through Agreement, as applicable, to the other party thereto for arbitration or appraisal proceedings, and of the institution of any arbitration or appraisal proceedings and promptly deliver to Lender a copy of the determination of the arbitrators or appraisers in each such proceeding.

(b) Borrower will not terminate or cancel the Operating Lease or HTC Pass-Through Agreement, as applicable; and will not, without the prior written reasonable consent of Lender modify, change, supplement, alter or amend the Operating Lease or HTC Pass-Through Agreement, as applicable, either orally or in writing.

(c) Unless Lender shall otherwise expressly consent in writing, the fee title to the real property demised by the Operating Lease and the HTC Pass-Through Agreement and the leasehold estate thereunder shall not merge, but shall always remain separate and distinct, notwithstanding the union of such estates either in the Borrower or in a third party by purchase or otherwise.

ARTICLE 23 - RIGHTS OF LESSEE

Section 23.1 The Lender shall, simultaneously with delivery to Borrower, give the Lessee copies of notices given to the Borrower under the Loan Documents of Events of Default or of events that with the passage of time and failure to cure, would result in the occurrence of an Event of Default. Lessee shall have the nonexclusive right, but not the obligation, to cure such Events of Default within the cure period for such default, if any, under the Loan Documents so long as such cure does not require the possession, operation or management of the Property, and Lender shall not accelerate the indebtedness under the Loan or commence a foreclosure on the Property or seek the appointment of a receiver for the Property unless Lessee shall have failed to cure or cause to be cured such default.

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Section 23.2 Notwithstanding the foregoing, the failure of Lender to provide any such notice to Lessee shall not affect, limit, modify, or waive in any manner or respect (i) the default or breach under the Loan with respect to Borrower or (ii) subject to Section 23.1, Lender's rights and remedies with respect to the Borrower pursuant to the Loan Documents with respect to any payment failure by the Borrower or any indemnitor or guarantor; and provided further, that the foregoing shall not, and shall not be deemed to, limit, affect, modify or waive in any manner or respect (but shall impose no obligation on Lender with respect to the exercise thereof) Lender's rights and remedies upon the occurrence of a material non-payment default which Lender determines, in its good faith judgment, to be or create an emergency or to necessitate an immediate response or action in order to preserve or protect the Property, the collateral granted to Lender or the health and/or safety of any tenant or other persons and their property on or at, occupying or using all or any portion of, the Property.

SIGNATURES ON FOLLOWING PAGE

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EXHIBIT A

(Description of Land)

All of that certain lot, piece or parcel of land, with the buildings and improvements thereon, situate, lying and being described as follows:

Street Address: 230 N. Michigan Avenue, Chicago, Illinois

Permanent Index No.: 17-10-303-024

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EXHIBIT A

(Description of Land)

All of that certain lot, piece or parcel of land, with the buildings and improvements thereon, situate, lying and being described as follows:

Real property in the City of **Chicago**, County of **Cook**, State of **Illinois**, described as follows:

Lots 10, 11, 12, 13, 14 and 15 in Block 7 in Fort Dearborn Addition to Chicago in Section 10, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Street Address: 230 N. Michigan Avenue, Chicago, Illinois

Permanent Index No.: 17-10-303-024

Property of Cook County Clerk's Office

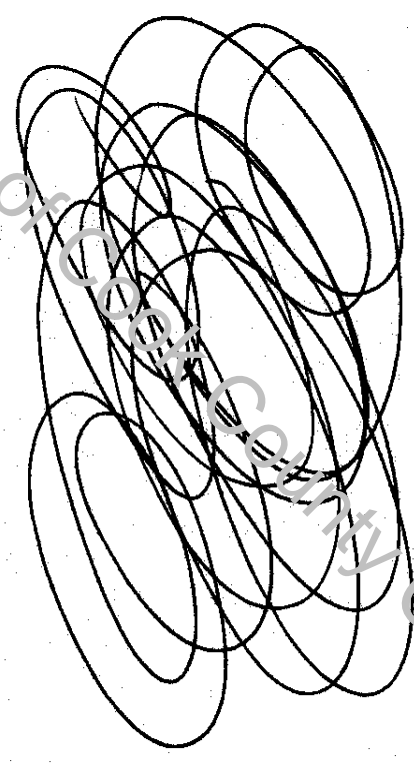
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EXHIBIT B

(Borrower's Personal Property)

(copy attached hereto)

Property of Cooper Security Clerk's Office



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Telephone Switch Package

Vendor	Description	Quantity
Self & Associates	S&A Equipment - PBX System	
	PBX Brand Mitel	
	PBX Model SX-2000 Light	
	PBX Software Version Lightware 31	
	Redundancy YES	
	Trunks - Digital T1 Ports	3 T1's
	Trunks - Analog Ports	16
	Trunks - DID Ports	
	Trunks -Cama Ports	
	Stations - Analog Ports	800
	Stations - Digital Ports	112
	Sets - Attendant Console	2
	Sets - Digital Administrative	80
	Cabinet - Configured Open Slot	4
Warranty - 5 Years Parts		
Warranty - Two Years Labor		
Self & Associates	Voice Guest Messaging	
	Innovations Model 2020	
	Innovations Model 2020	
	No redundant HDs	
	Voice Mail System - # of Ports	20
	Type of Integration to PBX	Digital
	Warranty - Parts One Year	
Warranty - Labor One Year		
Self & Associates	Call Accounting	
	Innovations Call Accounting	
	Model Call Manager	
	Call Accounting Printer	1
	Stand-Alone PC Platform	1
	Support Plan Included for One Year	
	Post Maintenance Costs - Annual (995.00)	
	Warranty - Parts One Year	
	Warranty - Labor One Year	
Self & Associates	Misc. Components	
	Battery Back-Up/Line Condition	0
	Answer Detection	0
	ACD Mitel Five Agents	5
	Power Failure Jacks	4
	PBX Journal Printer	1
	CO Surge Protection	0
	Equipment Rack Mount	1
	Maintenance Modems Terminals	3
	Digital Wake-up Ports	3
	Sales Office PBX Node with connection cable	
	Headsets	16
	one Lot of pigtails, rinse connects and misc	
	Warranty Parts One Year	
Warranty Labor One Year		
Self & Associates	Installation	
	Installation	
Teledex	Express Net Equipment	
	ExpressNet 16 port Ethernet switch w/fiber mod	1
	ExpressNet 16 port Ethernet switch	26
	Expressport for Ethernet	381
	Fiber Transceiver	1
	ExpressNet NA-200 Gateway Server	1
	Custom Printed Vinyl Instruction Cards	381
	ExpressNet Installation	
	installation Hardware (rack,cables, etc)	1
	Installation Labor (equipment)	2
Installation Room	381	
Teledex	Guestroom Phones	
	Opal #2010S Desk Guest Telephone	407
	Cordless Telephone #2910	407
	Public area Telephone	123

Telephones & Internet

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	Vendor	Description	Quantity
Fitness Equipment	Direct Fitness Solutions, LLC	Fitness Equipment	
		Sharp 15" LCD screen LG13B2UA	7
		Precor C956HR Treadmill 120 Volt	4
		Precor 546 Elliptical w/contact HR	2
		Precor 556 Total Body Cordless	1
		Precor C846 Recumbent Bike w/contact HR	1
		Precor C846 Upright Bike w/contact HR	1
		Nautilus Steel Leg Press	1
		Nautilus Steel Compound Row	1
		Nautilus Steel Lat Pulldown	1
		Nautilus Steel Overhead Press	1
		Nautilus Steel Chest Press	1
		Nautilus Steel Arm Curt	1
		Nautilus Steel Tricep Press	1
		Nautilus NT 1012 Delux Adj. Bench	1
		Nautilus NT 1720 three tier dumbbell rack	1
		Troy Rubber Hex Dumbbells 5-50 lbs	1
		Delivery	
		Sales Tax	
		Freight	
Standard Televisions	Zenith	Standard TV's	
		Zenith H27F56DT 27" Flat Screen Televisions	410
42" Plasma Televisions	Zenith	P42W34 EDTV plasma with Faroudja enhance	14
		P42WSPL speakers for 42"	13
		P42WTSL table stand for 42"	13
		HS4000 PPV Integration box for plasma & LCD	13
Stereos	Sony	Home Theater Stereos	
		Sony Model HTC800DP 5 disc DVD/CD Chang	381
Banquet Chairs	Shelby Williams Industries	Banquet Chairs	
		#5394-42 Polished Chrome/Ebony	800
Banquet Tables	Mity-Lite	Banquet Tables	
		6 ft. Grey Circular Table, 30" Tall with Gray Trim; Black, T-Style Conference Legs	60
		18"x6 ft. Speckled Gray Rect. Table, 30" Tall w/ Black Trim; Black Fixed Height Legs	140
		30"x 8ft Speckled Gray Rect. Table, 30" Tall w/black trim; Black fixed height legs	80
		30"x 6ft. Gray Serpentine Table, 30" Tall w/Gray Trim; Black, Fixed Height Legs	25
		30"x 30" Beige Rect. Table, 42" Tall w/Brown Trim; Brown X-Leg	20
		30" Gray Circular Table, 30" Tall w/Brown Black, X Style Legs	45
		Skirting Clip Low Profile 3/4"	3000
		Cart; Holds 1872-3872 Rect. Table; Edge Black Frame; Non-Marring 5" Casters	21
		Cart; Holds 48-96" Length Rect. Table; Upright; Black Frame	10
		Cart; Holds 42-72" Circular Table; Edge-Black Frame; Non-Marring 6" Casters; Narrow	9
		Cart; Holds 30 & 36 Circular Table; Small X-Leg; Black Frame; Non-Marring 5" Casters	3
		30" x 8' Gray Rect Table, 29" Tall w/Gray Trim; Black, Mobile Buffet Legs; Casters	12
		30" x 6' Gray Rect Table, 29" Tall w/Gray Trim; Black, Marble Buffet Legs; Casters	20
		30" Gray Quarter-Round Table, 28" Tall w/Gray Trim	8
		Black, Post Legs	
		Tax	
Executive Office Furniture	L.A.N. Office Furnishings	Executive Office Furniture	
		Assistant GM, Catering Manager, Controller	
		Total (3) Offices. Consisting of:	
		OFS "Drive" 30 x 66 Single Pedestal Desk	3
		48 x 24 Return	3
		36" W Two Drawer Lateral File w/Overfile	3
		Sit-On-It Leader Chair #525k, Grade 2	3
		Sit-On-It #5214 Guest Chair	6
		ISE Keyboard	3

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General Manager

Tella, Per Specifications

Conference Room

Tella Conference Table 48 x 120, Panel End Bases 1
 Tella Buffet Credenza 72" 1
 Tella Visual Board, 48 x 48 1

Staff and Conference Chairs

Leader 525lt 29

Stage Office (Area C)

See Area C Detailed Spec. Sheet

Safe Room

Per Specifications

Keyboards

ISE 19

Reception

Tella - Per Specifications

Staff Stations (Area A, B, Business Center, Exec. Administration)

See Detailed Specification Sheet

Desk Lamps

Artemide Kriti 4

Banquet Offices

OFS "Drive" 30 x 66 Single Pedestal Desk 2
 48 x 24 Return 2
 36"W Two Drawer Lateral File 4
 Sit-On-It Leader Chair #525k, Grade 2 2
 Sit-On-It #5214 Guest Chair 2

Steward

OFS "Drive" 30 x 66 Single Pedestal Desk 1
 48 x 24 Return 1
 Sit-On-It Leader Chair #525lt, Grade 2 1
 Sit-On-It #5214 Guest Chair 1

Beverage Manager

OFS "Drive" 30 x 66 Single Pedestal Desk 1
 48 x 24 Return 1
 Sit-On-It Leader Chair #525lt, Grade 2 1
 Sit-On-It #5214 Guest Chair 1

Telecom Room

OFS "Drive" 30 x 66 Single Pedestal Desk 1
 48 x 24 Return 1
 Sit-On-It Leader Chair #525lt Grade 2 1
 Sit-On-It #5214 Guest Chair 1

Chef

OFS "Drive" 30 x 66 Single Pedestal Desk 1
 48 x 24 Return 1
 Sit-On-It Leader Chair #5251t, Grade 2 1
 Sit-On-It #5214 Guest Chair 1

Office 0100

Per Specifications
 Sit-On-It Leader Chair #5251t, Grade 2 1

Property of Cook County Clerk's Office

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Uniforms	
OFS "Drive" 30 x 66 Single Pedestal Desk	1
48 x 24 Return	1
Sit-On-It Leader Chair #5251t, Grade 2	1
Sit-On-It #5214 Guest Chair	1
Housekeeping	
OFS "Drive" 30 x 66 Single Pedestal Desk	1
48 x 24 Return	1
Sit-On-It Leader Chair #5251t, Grade 2	1
Sit-On-It #5214 Guest Chair	1
Director of Housekeeping	
OFS "Drive" 30 x 66 Single Pedestal Desk	1
48 x 24 Return	1
Sit-On-It Leader Chair #5251t, Grade 2	1
Sit-On-It #5214 Guest Chair	1
Reservations Manager	
OFS "Drive" 30 x 66 Single Pedestal Desk	1
48 x 24 Return	1
Sit-On-It Leader Chair #5251t, Grade 2	1
Sit-On-It #5214 Guest Chair	1
36" W Two Drawer Lateral File	1
Human Resources	
OFS "Drive" 30 x 66 Single Pedestal Desk	1
48 x 24 Return	1
Sit-On-It Leader Chair #5251t, Grade 2	1
Sit-On-It #5214 Guest Chair	1
36" W Two Drawer Lateral File	1
Office (Receiving Office)	
OFS "Drive" 30 x 66 Single Pedestal Desk	1
48 x 24 Return	1
Sit-On-It Leader Chair #5251t, Grade 2	1
Sit-On-It #5214 Guest Chair	1
36" W Two Drawer Lateral File	1
Security	
OFS "Drive" 30 x 66 Single Pedestal Desk	2
48 x 24 Return	2
Sit-On-It Leader Chair #5251t, Grade 2	2
Sit-On-It #5214 Guest Chair	2
36" W Two Drawer Lateral File	2
Chief Engineer	
OFS "Drive" 30 x 66 Single Pedestal Desk	1
48 x 24 Return	1
Sit-On-It Leader Chair #5251t, Grade 2	1
Sit-On-It #5214 Guest Chair	1
36" W Two Drawer Lateral File	1
Human Resources Recep.	
OFS "Drive" 30 x 66 Single Pedestal Desk	1
48 x 24 Return	1
Sit-On-It Leader Chair #5251t, Grade 2	1
Sit-On-It #5214 Guest Chair	2
Human Resources Files	
9200 Series later file, 4 drawer	5
Counterweight kit for lateral file	5
Reservation Area	
Per detailed specifications	
Misc. Furnishings	
Lunchroom Tables, 42" Diameter	4
Furniture Lab Lunchroom Chairs	16
Peter Petter 36 x 36 Wall Mount Display Case	

Property of Cook County Clerk's Office

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St George Hotel Guest Room Inventory
17-Jul-07

Room Type	#Rooms	Items	Total Items	Master Total of All Rooms
Deluxe King	228			
		Headboard	228	Headboard 448
		Mattress Set	228	Mattress Set 448
		Bed Frame	228	Bed Frame 448
		Floor Lamp	228	Floor Lamp 387
		Desk	228	Desk 387
		Entertainment unit	228	Entertainment unit 387
		Closet	228	Closet 436
		Nightstand	456	Nightstand 713
		Desk Chair	228	Desk Chair 387
		Lounge Chair	228	Lounge Chair 318
		Ottoman	228	Ottoman 318
		Bedding Package	228	Bedding Package 448
		Mirror at Desk (Artwork)	228	Mirror at Desk 343
		Window Treatment	228	Window Treatment 387
		Bathroom Vanity	228	Bathroom Vanity 387
		Vanity Mirror	228	Vanity Mirror 387
		Headboard Light fixture	456	Headboard Light fixture 732
		Full Length mirror	228	Coffee table 69
Select King	36			Boardroom table and chairs 20
		Headboard	36	Sofa Seating Group 42
		Mattress Set	36	Credenza 2
		Bed Frame	36	Chaise Lounge 60
		Floor Lamp	36	
		Desk	36	
		Entertainment unit	36	
		Closet	36	
		Nightstand	72	
		Desk Chair	36	
		Lounge Chair	36	
		Ottoman	36	
		Bedding Package	36	
		Mirror at Desk (Artwork)	36	
		Window Treatment	36	
		Bathroom Vanity	36	
		Vanity Mirror	36	
		Headboard Light fixture	72	
		Full Length mirror	36	
Select Queen	42			
		Headboard	84	
		Mattress Set	84	
		Bed Frame	84	
		Floor Lamp	42	
		Desk	42	
		Entertainment unit	42	
		Closet	42	
		Nightstand	42	
		Desk Chair	42	
		Lounge Chair	0	
		Ottoman	0	
		Bedding Package	84	
		Mirror at Desk	42	
		Window Treatment	42	
		Bathroom Vanity	42	
		Vanity Mirror	42	
		Headboard Light fixture	42	
		Full Length mirror	42	
Hard Rock King	22			
		Headboard	22	
		Mattress Set	22	
		Bed Frame	22	
		Floor Lamp	22	
		Desk	22	
		Entertainment unit	22	
		Closet	44	
		Nightstand	44	
		Desk Chair	22	

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		Lounge Chair	22
		Ottoman	22
		Beding Package	22
		Mirror at Desk	0
		Window Treatment	22
		Bathroom Vanity	22
		Vanity Mirror	22
		Headboard Light fixture	44
		Chaise Lounge	22
HR Queen	19		
		Headboard	38
		Mattress Set	38
		Bed Frame	38
		Floor Lamp	19
		Desk	19
		Entertainment unit	19
		Closet	38
		Nightstand	19
		Desk Chair	19
		Lounge Chair	0
		Ottoman	0
		Beding Package	38
		Mirror at Desk	19
		Window Treatment	19
		Bathroom Vanity	19
		Vanity Mirror	19
		Headboard Light fixture	38
		Chaise Lounge	38
		Full Length mirror	19
		Coffee table	19
Tower King	14		
		Headboard	14
		Mattress Set	14
		Bed Frame	14
		Floor Lamp	14
		Desk	14
		Entertainment unit	14
		Closet	14
		Nightstand	28
		Desk Chair	14
		Lounge Chair	14
		Ottoman	14
		Beding Package	14
		Mirror at Desk	0
		Window Treatment	14
		Bathroom Vanity	14
		Vanity Mirror	14
		Headboard Light fixture	28
		Mini Sofa set	14
		Coffee table	14
Studio Suite	8		
		Headboard	8
		Mattress Set	8
		Bed Frame	8
		Floor Lamp	8
		Desk	8
		Entertainment unit	8
		Closet	16
		Nightstand	16
		Desk Chair	8
		Lounge Chair	0
		Ottoman	0
		Beding Package	8
		Mirror at Desk	0
		Window Treatment	8
		Bathroom Vanity	8
		Vanity Mirror	8
		Headboard Light fixture	16
		Sofa Seating Group	8
		Full Length mirror	8
		Coffee table	8
Tower Suite	10		

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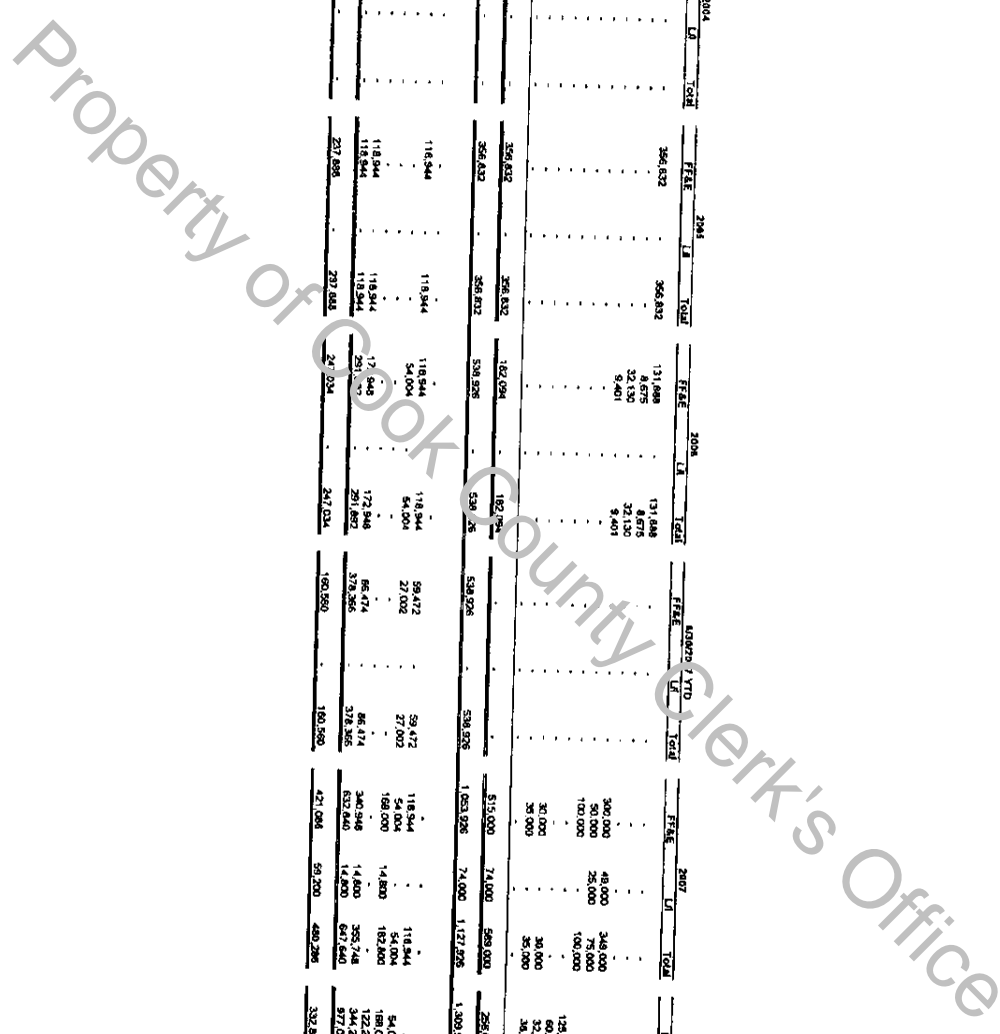
		Headboard	10
		Mattress Set	10
		Bed Frame	10
		Floor Lamp	10
		Desk	10
		Entertainment unit	10
		Closet	10
		Nightstand	20
		Desk Chair	10
		Lounge Chair	10
		Ottoman	10
		Beding Package	10
		Mirror at Desk	10
		Window Treatment	10
		Bathroom Vanity	10
		Vanity Mirror	10
		Headboard Light fixture	20
		Coffee table	10
		Boardroom table and chairs	10
		Sofa Seating Group	10
Tower 2 bdr suite	8		
		Headboard	8
		Mattress Set	8
		Bed Frame	8
		Floor Lamp	8
		Desk	8
		Entertainment unit	8
		Closet	8
		Nightstand	16
		Desk Chair	8
		Lounge Chair	8
		Ottoman	8
		Beding Package	8
		Mirror at Desk	8
		Window Treatment	8
		Bathroom Vanity	8
		Vanity Mirror	8
		Headboard Light fixture	16
		Coffee table	16
		Boardroom table and chairs	8
		Sofa Seating Group	8
Extrem Suite	2		
		Headboard	2
		Mattress Set	2
		Bed Frame	2
		Floor Lamp	2
		Desk	2
		Entertainment unit	2
		Closet	4
		Nightstand	4
		Desk Chair	2
		Lounge Chair	2
		Ottoman	2
		Beding Package	2
		Mirror at Desk	2
		Window Treatment	2
		Bathroom Vanity	4
		Vanity Mirror	2
		Headboard Light fixture	4
		Coffee table	2
		Boardroom table and chairs	2
		Sofa Seating Group	2
		Credenza	2

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HRH Chicago
 Lessee-Acquired FF&E Additions
 Estimated as of 7/17/2007

	2004		2004		2005		2005		2006		2006		2007		2007		2008		2008		Five Year Total	
	FF&E	LI	FF&E	LI	FF&E	LI	FF&E	LI	FF&E	LI	FF&E	LI	FF&E	LI	FF&E	LI	FF&E	LI	FF&E	LI	FF&E	LI
Computer Equipment & Software Licenses																						
Electrical & Mechanical Equipment																						
Office Equipment																						
Office Furniture																						
Upgrade Interiors																						
Meeting Room Carpet Replacement																						
Office Furniture Upgrade/Replacements																						
WiFi for Guest Rooms																						
Allowance for FF&E																						
Replace Interior Architecture Signage																						
Total Additions by Year																						
	206,632		206,632		131,689	8,675	32,130	9,401	32,130	9,401												
Cumulative Balance of Additions																						
Three and One/2 Year Str. Depreciation:	556,632		556,632		182,794	182,794																
2004					538,926	538,926																
2005					118,944	118,944																
2006					54,004	54,004																
2007					17,848	17,848																
2008					291,882	291,882																
Total Depreciation Per Year					729,702	729,702																
Total Cumulative Depreciation					237,896	237,896																
Net Value of FF&E Additions					318,736	318,736																

Estimates structural work, O&E and minor equipment allowances are expensed as placed into service per GAAP.



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GL #16000200 CP-FF&E						IT	E&M	Op Eq
16-Jun-06	MGMT REPORTS TSAVER IMPL	342553	7	AP	ADPTSVR	5009.24		
21-Jul-06	TIMESAVER IMPLMT	352231	6	AP	ADPTSVR	2206.00	5009.24	
31-May-06	COMPUTER & MONITOR	337559	6	AP	CDWCOR	953.87	2206.00	
23-Aug-06	SONICWALL, SPYWARE	366921	9	AP	CDWCOR	2282.58	953.87	
06-Jun-06	TVL, PRINTING, DELIVERY	338871	6	AP		403.26	2282.58	
21-Dec-06	SPLIT PHASE POWER MOD	393024	12	AP	EATELE	8674.83		403.26
18-Aug-06	SHELVING	353295	8	AP	FOLDGD	8115.23		8674.83
14-Jun-06	STEEL HSKP CARTS	340033	6	AP	GUEDIS	6507.56		8115.23
27-Jun-06	HSKP CARTS	342582	7	AP	GUEDIS	2297.42		6507.56
08-Aug-06	LOBBY FURNITURE REUPHOLSTERY	354563	8	AP	HOFFUR	1725.00		2297.42
15-Sep-06	REUPHOLSTER SOFAS	366975	9	AP	HOFFUR	5175.00		1725.00
30-May-06	BELKIN PARTS	335101	6	AP	INS/GHT	687.63		5175.00
25-Aug-06	COMPAQ NOTEBOOK COMPUTER	375414	10	AP	JDMINF	2026.79		687.63
31-Oct-06	FIXED ASSETS MODULE	378940	10	AP	JIMMCC	1300.00	2026.79	
30-Sep-05	opera installation	327487	5	AP	MICROS	18945.26	1300.00	
29-Jan-06	web site & opera interface	327488	5	AP	MICROS	1823.25	18945.26	
29-Jan-06	call center & opera interface	327489	5	AP	MICROS	214.50	1823.25	
27-Jan-06	2nd interface p	327490	5	AP	MICROS	1623.89	214.50	
29-Jan-06	opera delphi interface	327491	5	AP	MICROS	5898.75	1623.89	
29-Jan-06	profitwatch	327492	5	AP	MICROS	1608.75	5898.75	
31-Aug-05	travel for opera install	327493	5	AP	MICROS	788.05	1608.75	
30-Sep-05	opera installation	327494	5	AP	MICROS	2298.80	788.05	
30-Sep-05	opera install pegasus	327495	5	AP	MICROS	4998.75	2298.80	
30-Sep-05	opera install	327496	5	AP	MICROS	5251.37	4998.75	
30-Sep-05	opera install	327497	5	AP	MICROS	7129.94	5251.37	
01-Jan-06	travel for programming	327498	5	AP	MICROS	450.00	7129.94	
17-Jan-06	delphi opera interface	327500	5	AP	MICROS	7200.00	450.00	
16-Mar-06	FRONT OFFICE INSTALL	340057	1	AP	MICROS	1000.00	7200.00	
16-Nov-06	PER STATEMENT, CLOSED	380397	1	AP	MICROS	-65.43	1000.00	
16-Nov-06	PER STATEMENT, CLOSED	380398	1	AP	MICROS	-788.05	-65.43	
16-Nov-06	ADJUSTMENT	380400	11	AP	MICROS	-283.37	-788.05	
30-Nov-05	DVR, MEDIA CREATOR	288618	1	AP	MISCOM	291.77	-283.37	
20-Jan-06	DOCKLIFT	293293	2	AP	PAUREI	9428.50	291.77	
08-May-06	50% DEPOSIT TO START PROJECT	323553	5	AP	PRYARC	4838.64	9428.50	9428.50
08-Aug-06	RE-ENTRY/EXIT DOOR SIGNS	368598	9	AP	PPYARC	5093.70	4838.64	
08-Aug-06	CORRECTION ON INV AMT	370719	10	AP	PPYARC	-222.55	5093.70	5093.70
30-May-06	EPRISM KASPERSKY BUNDLE	340086	6	AP	STBFAN	2268.44	-222.55	
08-Dec-05	INV ADJUSTMENT, INV UPDATES	353037	8	AP	TECSOL	7253.00	2268.44	
19-Jan-06	SERVER SOFTWARE	289219	1	AP	TRUSOL	922.69	7253.00	
19-May-06	FIREWALL	330366	5	AP	TRUSOL	1012.50	922.69	
19-May-06	LAPTOP	330367	5	AP	TRUSOL	1325.82	1012.50	
02-May-06	PIX	330368	5	AP	TRUSOL	2025.00	1325.82	
24-Apr-06	SWITCHES	335167	6	AP	TRUSOL	1370.13	2025.00	
14-Mar-06	KEYBOARD, MOUSE, CABLES	340095	6	AP	TRUSOL	262.27	1370.13	
30-Apr-06	iderev	320478	4	C5	IDEA	24000.00	262.27	
30-Apr-06	trusol	320479	4	C5		940.80	24000.00	
30-Apr-06	trusol	320482	4	C5		1457.07	940.80	
30-Apr-06	trusol	320483	4	C5		174.14	1457.07	
30-May-06	LOBBY DESIGN CONCEPTS	331214	5	N3		2500.82	174.14	
30-May-06	HP SB PARTS	331215	5	N3		980.95	2500.82	2500.82
30-May-06	COMP FOR IDEAS INTERFACE	331216	5	N3		916.62	980.95	
30-Jun-06	micros	340667	6	C2		900.00	916.62	
30-Jun-06	micros	340669	6	C2		1313.56	900.00	
30-Jun-06	micros	340670	6	C2		2830.00	1313.56	
30-Jun-06	9X05 Micros	341286	6	C8		2006.92	2830.00	
31-Oct-06	micros	383317	10	M1		2744.55	2006.92	

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