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333 Bush Street
San Francisco, CA 94104
Attn: Carl B. Johnson, Esq.



**MORTGAGE AND
SECURITY AGREEMENT**

Cover Sheet

Dated as of: December 15, 1999

Mortgagor: D.A. HEENAN AND C.R. CHURCHILL, THE DULY
APPOINTED TRUSTEES QUALIFIED AND ACTING
UNDER THE WILL AND OF THE ESTATE
OF JAMES CAMPBELL, DECEASED
(Hereinafter sometimes "Borrower")

Mortgagor's
Notice Address: 1001 Kamokila Boulevard
Kapolei, Hawaii 96707
Attention: Director of Finance and Accounting

with a copy to:

1001 Kamokila Boulevard
Kapolei, Hawaii 96707
Attention: Senior Legal Counsel

with a copy to:

Estate of James Campbell
425 California Street, Suite 1000
San Francisco, California 94104
Attention: Director of Mainland Properties

and to:

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O'Melveny & Myers LLP
Embarcadero Center West
275 Battery Street, 26th Floor
San Francisco, California 94111-3305
Attention: Peter T. Healy, Esq.

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Mortgagee: MASSACHUSETTS MUTUAL LIFE INSURANCE
COMPANY, a Massachusetts corporation
(Hereinafter sometimes "Lender")

Mortgagee's
Notice Address: 1295 State Street
Springfield, Massachusetts 01111-0001
Attention: Senior Managing Director
Real Estate Finance Group

Note Amount: \$16,050,000.00

State: Illinois

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MORTGAGE AND SECURITY AGREEMENT

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I – Definition of Terms	3
ARTICLE II – Covenants of Borrowers	7
Section 2.1 Payment of the Indebtedness	7
Section 2.2 Title to the Mortgaged Property	7
Section 2.3 Maintenance of the Mortgaged Property	8
Section 2.4 Insurance; Restoration	8
Section 2.5 Condemnation	14
Section 2.6 Impositions	15
Section 2.7 Deposits	16
Section 2.8 Mortgage Taxes	17
Section 2.9 Loan Documents Authorized	18
Section 2.10 Maintenance of Existence	19
Section 2.11 Payment of Liens	19
Section 2.12 Costs of Defending and Upholding the Lien	19
Section 2.13 Costs of Enforcement	20
Section 2.14 Interest on Advances and Expenses	20
Section 2.15 Indemnification	20
Section 2.16 Financial Statements; Records	20
Section 2.17 Prohibition Against Conveyances and Encumbrances	22
Section 2.18 Estoppel Certificates	30
Section 2.19 Assignment of Leases and Property Income	30

Section 2.20 Environmental Matters; Warranties; Notice; Indemnity 32

Section 2.21 Environmental Matters; Remedial Work 35

Section 2.22 Environmental Matters; Inspection 36

Section 2.23 Management 36

Section 2.24 ERISA 37

Section 2.25 Covenants, Conditions, Restrictions 37

Section 2.26 Operating Account 37

ARTICLE III – Security Agreement 38

 Section 3.1 Warranties, Representations and Covenants of Borrower 38

 Section 3.2 Financing Statements 39

 Section 3.3 Addresses 39

 Section 3.4 Fixture Filing 40

ARTICLE IV – Default and Remedies 40

 Section 4.1 Events of Default 40

 Section 4.2 Remedies 41

 Section 4.3 General Provisions Regarding Remedies 43

ARTICLE V – Miscellaneous 49

 Section 5.1 Notices 49

 Section 5.2 Binding Obligations; Joint and Several 49

 Section 5.3 Captions 50

 Section 5.4 Further Assurances 50

 Section 5.5 Severability 50

 Section 5.6 Borrower’s Obligations Absolute 50

 Section 5.7 Amendments 51

UNOFFICIAL COPY 03185135

Section 5.8 Other Loan Documents and Schedules	51
Section 5.9 Legal Construction.....	51
Section 5.10 Merger.....	51
Section 5.11 Time of the Essence.....	52
Section 5.12 Transfer of Loan	52
Section 5.13 Release	52
Signature Page	53
Schedule A - Description of Land	
Rider - Applicable State Law Provisions	

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MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (this "Mortgage") is made as of December 15, 1999, by and between **D.A. HEENAN AND C.R. CHURCHILL, THE DULY APPOINTED TRUSTEES QUALIFIED AND ACTING UNDER THE WILL AND OF THE ESTATE OF JAMES CAMPBELL, DECEASED**, having an office at 1001 Kamokila Boulevard, Kapolei, Hawaii 96707 ("Mortgagor" and "Borrower"), and **MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY**, a Massachusetts corporation having an office at 1295 State Street, Springfield, Massachusetts 01111-0001 ("Mortgagee" and "Lender").

GRANTING CLAUSES

For good and valuable consideration and to secure the payment of an indebtedness in the principal sum of Sixteen Million Fifty Thousand and 00/100 Dollars (\$16,050,000.00) lawful money of the United States, to be paid according to that certain Promissory Note of even date herewith from Borrower to Lender in said principal sum and by this reference made a part hereof (said Promissory Note, as the same may hereafter be amended, modified, consolidated or extended, the "Note"), together with all other obligations and liabilities due or to become due to Lender, all amounts, sums and expenses paid hereunder by or payable to Lender according to the terms hereof, and all other covenants, obligations and liabilities of Borrower under the Note, this Mortgage, the Assignment (as hereinafter defined) and any other instrument evidencing, securing or executed in connection with the loan evidenced by the Note, but expressly excluding the Environmental Indemnity Agreement of even date herewith executed by Borrower in favor of Mortgagee (all of the foregoing instruments, collectively, the "Loan Documents"), and together with all interest on such indebtedness, obligations, liabilities, amounts, sums, Advances (as hereinafter defined) and expenses (all of the foregoing, collectively, the "Indebtedness"), Borrower has created in favor of Lender a security interest in and mortgaged, warranted, granted, bargained, sold, conveyed, assigned, pledged, transferred and set over, and does by these presents create a security interest in and MORTGAGE, WARRANT, GRANT, BARGAIN, SELL, CONVEY, ASSIGN, PLEDGE, TRANSFER AND SET OVER unto Lender, its successors and assigns forever, WITH MORTGAGE COVENANTS and with all POWERS OF SALE and RIGHTS OF ENTRY AND POSSESSION and all STATUTORY RIGHTS AND COVENANTS in the State (as hereinafter defined), the following property:

The parcel or parcels of land described in Schedule A attached hereto and by this reference made a part hereof (the "Land");

TOGETHER with the buildings, foundations, structures and improvements (including fixtures) now or hereafter located on or in the Land (collectively, the "Improvements");

TOGETHER with all right, title and interest, if any, of Borrower in and to the streets and roads, opened or proposed, abutting the Land, all strips and gores within or adjoining the Land, the air space and right to use the air space above the Land, all rights of ingress and egress to and from the Land, all easements, rights of way, reversions, remainders, estates, rights, titles, interests, privileges, servitudes, tenements, hereditaments, and appurtenances now or hereafter affecting the Land or the Improvements, all royalties and rights and privileges appertaining to the use and enjoyment of the Land or the Improvements, including all air, lateral support, streets, alleys, passages, vaults, drainage, water, oil, gas and mineral rights, development rights, all options to purchase or lease, and all other interests, estates or claims, in law or in equity, which Borrower now has or hereafter may acquire in or with respect to the Land or the Improvements (collectively, the "Appurtenances");

The Land, the Improvements and the Appurtenances are hereinafter sometimes collectively referred to as the "Premises";

TOGETHER with all equipment, fittings, furniture, furnishings, appliances, apparatus, and machinery in which Borrower now or hereafter has a possessory or title interest and now or hereafter installed in or located upon the Premises, if any, and all building materials, supplies and equipment now or hereafter delivered to the Premises and intended to be installed therein or located thereon, if any; all fixtures, other goods and personal property of whatever kind and nature now contained on or in or hereafter placed on or in the Premises and used or to be used in connection with the letting or operation thereof, in which Borrower now has or hereafter may acquire a possessory or title interest, if any (but specifically excluding inventory), and all renewals or replacements of any of the foregoing property or articles in substitution thereof (collectively, the "Equipment");

TOGETHER with all right, title and interest of Borrower in and under all present or future accounts, escrows, documents, instruments, chattel paper, and general intangibles, as the foregoing terms are defined in the Code (as hereinafter defined), if any, and all contract rights, including, without limitation and as provided below, the proceeds of any casualty insurance policies relating to the Premises and required to be obtained or maintained in force pursuant to this Mortgage or other Loan Documents (but excluding any liability insurance policies, and the proceeds thereof), if any, trade names, trademarks, servicemarks, logos, copyrights, goodwill, franchises, books, records, plans, specifications, permits, licenses, approvals, actions and causes of action which now or hereafter relate to, are derived from or are used in connection with the Premises or the use, operation, maintenance, occupancy or enjoyment thereof or the conduct of any business or activities thereon, including, without limitation, all right, title and interest of

Mortgagor in and under the Operating Account, as defined below, all funds on deposit from time to time therein, and all cash and non-cash proceeds and products thereof (collectively, the "Intangibles");

TOGETHER with all right, title and interest of Borrower in and under all leases, lettings, tenancies and licenses of the Premises or any part thereof now or hereafter entered into, and all amendments, extensions, renewals and guaranties thereof, all security therefor, and all moneys payable thereunder (collectively, the "Leases");

TOGETHER with all rents, income, accounts, receivables, issues, profits, security deposits and other benefits to which Borrower may now or hereafter be entitled from the Premises, the Equipment or the Intangibles or under or in connection with the Leases (collectively, the "Property Income"); and

TOGETHER with all proceeds, judgments, claims, compensation, awards of damages and settlements pertaining to or resulting from or in lieu of any condemnation or taking of the Premises by eminent domain or any casualty loss or damage to any of the Premises, the Equipment, the Intangibles, the Leases or the Property Income, if any, and including also, without limitation, the right to assert, prosecute and settle claims arising out of or pertaining to such condemnation or taking or such casualty loss under insurance policies constituting an Intangible and to apply for and receive payments of proceeds under such insurance policies and in any condemnation or taking as provided in this Mortgage, the right to apply for and receive all refunds with respect to the payment of property taxes and assessments and all other proceeds from the conversion, voluntary or involuntary, of the Premises, the Equipment, the Intangibles, the Leases or the Property Income, or any part thereof, into cash or liquidated claims (collectively, all of the foregoing, are herein referred to as the "Proceeds").

The Equipment, the Intangibles, the Leases, the Property Income and the Proceeds are hereinafter sometimes collectively referred to as the "Collateral." The Premises and the Collateral are hereinafter sometimes collectively referred to as the "Mortgaged Property."

TO HAVE AND TO HOLD the Mortgaged Property, with all the privileges and appurtenances to the same belonging, and with the possession and right of possession thereof, unto Lender, its successors and assigns forever, upon the terms and conditions set forth herein.

ARTICLE I Definition of Terms

As used in this Mortgage, the terms set forth below shall have the following meanings:

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“Advances” - All sums, amounts or expenses advanced or paid and all costs incurred by Lender, as provided in this Mortgage or in any other Loan Document, upon failure of Borrower to pay or perform any obligation or covenant contained herein or in such other Loan Document within the time period provided for in this Mortgage or the other Loan Documents for such payment or performance.

“Appurtenances” - See Granting Clauses.

“Assignment” - The Assignment of Leases and Rents from Borrower to Lender of even date herewith.

“Bankruptcy Proceeding” - Any proceeding, action, petition or filing under the Federal Bankruptcy Code or any similar state or federal law now or hereafter in effect relating to bankruptcy, reorganization or insolvency, or the arrangement or adjustment of debts.

“Borrower” - The party or parties identified and defined as Mortgagor and Borrower on the Cover Sheet and in the preamble of this Mortgage, any subsequent owner of the Mortgaged Property, and its or their respective heirs, executors, legal representatives, successors and assigns.

“Business Day” - Any day other than a Saturday, Sunday or other day on which national banks in the State are not open for business.

“Code” - The Uniform Commercial Code of the State.

“Collateral” - See Granting Clauses.

“Default Rate” - The per annum interest rate equal to the lesser of (i) the highest rate permitted by applicable law as of the date hereof or the date of any Advance hereunder, whichever is higher, to be charged on commercial mortgage loans, or (ii) the sum of three percent (3%) plus the greater of either the Contract Rate (as defined in the Note) or the rate published in the **Wall Street Journal** as the average prime rate in its Money Rates section as of the date of any Advance hereunder. If the **Wall Street Journal** is not in publication on the applicable date, or ceases to publish such average rates, then any other publication acceptable to Lender quoting daily market average prime rates will be used.

“Environmental Law” - Any present or future federal, state or local law, statute, regulation or ordinance, and any judicial or administrative order or judgment thereunder, pertaining to health, industrial hygiene or the environmental or ecological conditions on, under or about the Premises, including, without limitation, each of the following as to date or hereafter amended: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; the Toxic Substances Control Act; the Federal Water Pollution Control Act (also known as the Clean Water

Act); the Clean Air Act; and the Hazardous Materials Transportation Act; the Solid Waste Disposal Act; the Safe Drinking Water Act; the Occupational Safety and Health Act; the Federal Water Pollution Control Act; the Emergency Planning and Community Right-To-Know Act; the Federal Insecticide, Fungicide and Rodenticide Act; the National Environmental Policy Act; the Rivers and Harbors Appropriation Act; and any similar state statute, law, regulation or ordinance.

“Equipment” - See Granting Clauses.

“ERISA” - The Employee Retirement Income Security Act of 1974, as amended.

“Event of Default” - Any one or more of the events described in Section 4.1.

“Fiscal Year” - The 12 month period commencing on January 1 and ending on December 31 during each year of the term of this Mortgage, or such other fiscal year of Borrower as Borrower may select from time to time with the prior written consent of Lender. During the first year of the term hereof, Borrower’s Fiscal Year shall be deemed to have commenced on the date of this Mortgage and shall end on the regular Fiscal Year ending date as indicated in the immediately preceding sentence.

“Hazardous Substance” - Any material, waste or substances which is:

(i) included within the definitions of “hazardous substances,” “hazardous materials,” “toxic substances” or “solid waste” in or pursuant to any Environmental Law, or subject to regulation under any Environmental Law;

(ii) listed in the United States Department of Transportation Optional Hazardous Materials Table, 49 C.F.R. §172.101, as to date or hereafter amended, or in the United States Environmental Protection Agency List of Hazardous Substances and Reportable Quantities, 40 C.F.R. Part 302, as to date or hereafter amended; or

(iii) explosive, radioactive, asbestos, a polychlorinated biphenyl oil or a petroleum product.

“Impositions” - All taxes of every kind and nature, sewer rents, charges for water, for setting or repairing meters and for all other utilities serving the Premises, and assessments, levies, inspection and license fees and all other charges imposed upon or assessed against the Mortgaged Property or any portion thereof (including the Property Income), and any stamp or other taxes which might be required to be paid, or with respect to any of the Loan Documents, any of which might, if unpaid, affect the enforceability of any of the remedies provided in this Mortgage or result in a lien on the Mortgaged Property or any portion thereof, regardless of to whom assessed.

“Indebtedness” - See Granting Clauses.

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"Intangibles" - See Granting Clauses.

"Land" - See Granting Clauses.

"Late Charge" - Any charge designated as such and payable by Borrower for tardy performance by Borrower as specifically set forth under the Note, this Mortgage or any other Loan Document.

"Leases" - See Granting Clauses.

"Lender" - Massachusetts Mutual Life Insurance Company, the Mortgagee and Lender identified as such on the Cover Sheet and in the preamble of this Mortgage, and its successors and assigns (including any other holders from time to time of the Note).

"Loan Documents" - See Granting Clauses.

"Losses" - Claims, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, damages, losses, costs, fines, penalties, charges, fees, expenses, judgments, awards, amounts paid in settlement, punitive damages, foreseeable and unforeseeable consequential damages of whatever kind or nature (including, but not limited to, attorneys' fees and other costs of defense).

"Mortgaged Property" - See Granting Clauses.

"Mortgagee" - Massachusetts Mutual Life Insurance Company, its successors and assigns (including any other holders from time to time of the Note), and also herein called "Lender."

"Mortgagor" - The party or parties identified as such on the Cover Sheet and in the preamble of this Mortgage, any subsequent owner of the Mortgaged Property, and its or their respective heirs, executors, legal representatives, successors and assigns. The Mortgagor is also herein called "Borrower."

"Note" - See Granting Clauses.

"Permitted Encumbrances" - The liens and security interests created by this Mortgage and the other Loan Documents and those other exceptions to title approved by Lender in writing on or prior to the date of recordation of this Mortgage in the official records of the County and State in which the Premises are located.

"Premises" - See Granting Clauses.

"Proceeds" - See Granting Clauses.

"Property Income" - See Granting Clauses.

“Release” - Release means and includes the following: the release, deposit, discharge, emission, leaking, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of a Hazardous Substance no matter how or by whom or what caused.

“Remediation” - Remediation means and includes the following: 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 a Hazardous Substance, any action to comply with any Environmental Laws or with any permits issued pursuant thereto, any inspection, investigation, study, monitoring, assessment, audit, sampling and testing, laboratory or other analysis, or evaluation relating to any Hazardous Substances and to anything referred to in Section 2.20.

“State” - The State in which the Land is situated.

ARTICLE II

Covenants of Borrower

Borrower covenants, warrants, represents and agrees with and to Lender as follows:

Section 2.1 Payment of the Indebtedness. Borrower shall punctually pay the Indebtedness at the times and in the manner provided in the Note and the other Loan Documents, all in lawful money of the United States of America.

Section 2.2 Title to the Mortgaged Property.

(a) Borrower has fee simple title (or such lesser estate therein as may be specified in Schedule A) to the Premises and good indefeasible title to the balance of the Mortgaged Property, free and clear of liens and encumbrances, except Permitted Encumbrances.

(b) Borrower has full power and lawful authority to encumber the Mortgaged Property in the manner and form herein set forth.

(c) This Mortgage is and will remain a valid and enforceable lien on and security interest in the Mortgaged Property.

(d) Borrower or its permitted successor will preserve such title and will forever warrant and defend the same and the validity and priority of the lien hereof to Lender against all claims whatsoever.

Section 2.3 Maintenance of the Mortgaged Property. Borrower shall maintain the Mortgaged Property in good and safe condition, working order and repair, and

comply in all material respects with all existing and future federal, state and local laws, ordinances, rules and regulations and court orders affecting or which may reasonably be interpreted by Lender as affecting the Mortgaged Property. Borrower shall permit Lender to enter upon and inspect the Mortgaged Property upon reasonable notice at all reasonable hours, subject to the terms of the Leases and the reasonable requirements of tenants, including, without limitation, safety and confidentiality concerns. Borrower shall not, without the prior written consent of Lender, (a) change the use of the Premises or cause or permit the use or occupancy of any part of the Premises to be discontinued if such discontinuance would violate any applicable zoning or other law, ordinance or regulation; (b) consent to any zoning reclassification, modification or restriction affecting the Premises; (c) threaten, commit or permit any waste, structural or material alteration, demolition or removal of the Mortgaged Property or any portion thereof (provided that the Equipment included within the Collateral may be removed if replaced with similar items of equal or greater value); or (d) take any steps whatsoever to convert the Mortgaged Property, or any portion thereof, to a condominium or cooperative form of ownership. No provision of this Section 2.3 shall prohibit Borrower from undertaking and completing tenant improvement work or other work authorized under Leases previously approved by Lender in writing or not requiring Lender's prior written approval.

Section 2.4 Insurance; Restoration.

(a) Borrower shall keep the Improvements and the Equipment insured against damage by fire and the other hazards covered by a standard comprehensive all risk coverage insurance policy, subject to standard exclusions, in an amount at least equal to the greater of (i) 100% of the full insurable value thereof (which shall mean the full repair and actual replacement value thereof providing for no deductible in excess of \$100,000 or such other amount as Lender shall reasonably approve, without reduction for depreciation or co-insurance, but less the cost of the building foundation and the value of the land) as reasonably approved by Lender, or (ii) the original principal amount of the Note, and against loss of rents in an amount not less than twelve (12) months' rental income from all Leases. Borrower shall also carry such other insurance, and in such amounts, as Lender may from time to time reasonably require, against insurable risks which at the time are commonly insured against in the case of premises similarly situated, due regard being given to the availability of insurance and to the type of construction, location, utilities, use and occupancy of the Premises or any replacements or substitutions therefor. Such additional insurance may include boiler and machinery, flood and earthquake insurance, and shall be obtained within thirty (30) days after prior written notice from Lender. Borrower shall not obtain any separate or additional insurance which is contributing in the event of loss. In addition, Borrower shall have the right to carry the insurance coverage required under this Mortgage under an umbrella or blanket insurance policy, provided that such umbrella or blanket insurance policy shall provide substantially the same protection as would a separate policy insuring only the Mortgaged

Property in compliance with the provisions of Section 2.4(c), giving Lender all of the rights set forth in this Section 2.4. The Proceeds of insurance paid on account of any damage to or destruction of the Premises or any portion thereof shall be paid over to Lender to be applied as hereinafter provided.

(b) Borrower shall also maintain public liability insurance with respect to the Premises against personal injury, death and property damage, with limits of liability in amounts reasonably satisfactory to Lender.

(c) All insurance policies and endorsements required pursuant to this Mortgage shall (i) as to the public liability insurance required under subparagraph (b) above, be endorsed to name Lender as an additional insured thereunder, as its interest may appear, (ii) as to the all risk property, boiler and machinery, flood and earthquake insurance required under subparagraph (a) above, contain a standard loss payable clause to Lender; (iii) be fully paid for and contain such provisions and expiration dates and be in such form and issued by such insurance companies licensed to do business in the State, with a rating of "A- VIII" or better as established by Best's Rating Guide or an equivalent rating with such other publication of a similar nature as shall be in current use, as shall be reasonably approved by Lender; (iv) without limiting the foregoing, provide that such policy or endorsement may not be canceled or materially changed except upon thirty (30) days prior written notice of intention of non-renewal, cancellation or material change to Lender, and that no act or thing done by Borrower or Lender shall invalidate the policy as against Lender; and (v) be in form and content reasonably satisfactory to Lender. Borrower shall deliver to Lender evidence of all insurance policies through accord insurance forms with abstract copies of the insurance policies on the date of this Mortgage; and Borrower shall thereafter deliver evidence of renewal of such insurance policies reasonably acceptable to Lender at least ten (10) days prior to the expiration date of such policies. If Borrower fails to maintain insurance in compliance with this Mortgage, Lender may (but shall not be obligated to) obtain such insurance and pay the premium therefor after written notice to Borrower of Lender's intention to do so and Borrower shall reimburse Lender within ten (10) days following written demand for all such Advances. Notwithstanding anything to the contrary contained herein or in any provision of applicable law, the Proceeds of insurance policies coming into the possession of Lender shall not be deemed trust funds and Lender shall apply such Proceeds as hereinafter provided.

(d) In the event of any damage to or destruction of the Premises and/or Equipment, Borrower shall give prompt written notice to Lender and shall promptly commence and diligently continue to completion the repair, restoration and rebuilding of the Premises and/or Equipment so damaged or destroyed in compliance with all applicable legal requirements and with the provisions of Section 2.4(h)(i) below, and free and clear from any and all liens and claims (subject to the provisions of Section 2.7 below). Such repair, restoration and rebuilding of the Premises are sometimes hereinafter collectively referred

to as the "Work." Borrower shall not adjust, compromise or settle any claim for insurance proceeds without the prior consent of Lender, which consent shall not be unreasonably withheld. Subject to Section 2.4(g) below, Lender shall have the option in its reasonable discretion to apply any insurance Proceeds it may receive pursuant to this Mortgage (less any reasonable and actually incurred cost to Lender of recovering and paying out such Proceeds, including reasonable and actually incurred attorneys' fees) to the payment of the Indebtedness or to allow all or a portion of such Proceeds to be used for the Work. If any insurance Proceeds are applied to reduce the Indebtedness, provided no Event of Default shall have occurred or be continuing, Lender shall apply the same, without any prepayment fee, in the following order:

- (i) first, to the payment of interest due on any Advances;
- (ii) next, to the principal amount of any Advances;
- (iii) next, to any Late Charges, and reasonable and actually incurred attorney's fees or any other amount due hereunder or under a Loan Document save for the amounts described in (iv) and (v) immediately below;
- (iv) next, to accrued interest then due under the Note; and
- (v) finally, to the unpaid principal balance of the Note (in the inverse order of maturity of principal installments thereof).

If an Event of Default shall have occurred and be continuing, however, Lender, at its option, may apply any insurance Proceeds to the foregoing items in such order and priority as Lender deems appropriate in its sole discretion.

(e) In the event of the foreclosure of this Mortgage or other transfer of title to or assignment of the Mortgaged Property in extinguishment of the Indebtedness in whole or in part, all right, title and interest of Borrower in and to any Proceeds of the casualty insurance policies required by this Mortgage with respect to the Mortgaged Property shall inure to the benefit of and pass to Lender or any purchaser or transferee at the foreclosure sale of the Mortgaged Property.

(f) Borrower hereby irrevocably appoints Lender its attorney-in-fact, coupled with an interest, to apply and make claims for insurance Proceeds under the casualty insurance policies required under this Mortgage, to prosecute and settle such claims and to endorse any checks, drafts or other instruments representing any insurance Proceeds whether payable by reason of loss thereunder or otherwise. Additionally, Lender may notify (and shall concurrently copy Borrower on such notice) any and all insurers under casualty insurance policies required to be maintained by Borrower under this Mortgage that Lender has a security interest pursuant to the provisions of this Mortgage in and to the proceeds of such insurance policies, and that any payments under those insurance policies

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are to be made directly to Lender, subject to the provisions of subparagraphs (g) and (h) below. Lender's rights under this Section 2.4(f) may be exercised by Lender or a court appointed receiver appointed upon the request of Lender and irrespective of whether or not an Event of Default shall have occurred under this Mortgage.

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(g) Notwithstanding the provisions of Section 2.4(d) above, if in Lender's reasonable judgment the cost of the Work shall not exceed fifty percent (50%) of the then outstanding principal balance of the Note, then Lender shall, upon request by Borrower, permit Borrower to use the Proceeds for the Work (subject to the provisions of, and less Lender's reasonable and actually incurred costs described in, Section 2.4(h) below), so long as:

(i) no Event of Default shall then exist nor any matter(s) exist which, after notice of default or passage of time or both, would constitute an Event of Default;

(ii) either the original Borrower named herein or any transferee of Borrower permitted pursuant to Section 2.17 below continues to be the owner of the Mortgaged Property;

(iii) the Work can be completed within twelve (12) months from the date of the damage to or destruction of the Premises; provided, however, that Borrower shall have the right to increase the foregoing twelve-month period to up to eighteen (18) months, provided that Borrower is proceeding with diligence to complete the Work, Borrower shall have caused the loss of rents insurance required under Section 2.4(a) above to be extended through such eighteen-month period and the condition set forth in clause (iv) below shall continue to be satisfied throughout such eighteen-month period;

(iv) Leases covering not more than forty percent (40%) of the rentable area of the Premises and in effect immediately prior to the damage or destruction shall have been canceled or terminated or shall contain any still exercisable right to cancel, as a result of such damage or destruction;

(v) all sums necessary to effect the Work over and above any available Proceeds shall be at the sole cost and expense of the Borrower and, at Lender's written request, Borrower shall deposit such additional amounts, as estimated by Lender in its reasonable discretion, with Lender prior to commencing any Work and at all times thereafter (provided, however, that in lieu of a cash deposit of such additional amounts, Borrower shall have the right to deposit with Lender a letter of credit in a stated amount equal to such sums, provided that the form of letter of credit and issuer of the letter of credit shall be acceptable to Lender in its sole discretion; provided, however, that Lender hereby approves the Bank of Hawaii as the issuer of such letter of credit);

(vi) at all times during any such Work Borrower shall maintain, at its sole cost and expense, workers' compensation, builders risk and public liability insurance

in amounts reasonably satisfactory to Lender and in accordance with the provisions of this Section 2.4;

(vii) any unexpended Proceeds, and any accrued interest thereon, shall be paid over to Borrower; and

(viii) Borrower shall have satisfied such other customary and reasonable conditions to Borrower's use of the Proceeds for the Work as Mortgagee shall reasonably establish.

(h) If any insurance Proceeds are used for the Work, then such Proceeds shall be held by Lender in an interest-bearing escrow account with such depository as Lender shall reasonably designate. The interest accruing on such Proceeds shall be for the benefit of Borrower (and Borrower's taxpayer identification number shall be used with respect thereto), and such accrued interest shall be retained in such escrow account. Lender shall cause such Proceeds to be paid out from time to time to Borrower as the Work progresses (less any reasonable and actually incurred cost to Lender of recovering and paying out such Proceeds, including reasonable and actually incurred attorneys' fees and costs allocable to inspecting the Work and the plans and specifications therefor), subject to each of the following conditions:

(i) If the Work is structural or if the cost of the Work is reasonably estimated to exceed Two Hundred Fifty Thousand Dollars (\$250,000), the Work shall be conducted under the supervision of a certified and registered architect or engineer reasonably satisfactory to Lender. Before Borrower commences any Work, other than temporary work to protect property or prevent interference with business, Lender shall have approved the plans and specifications for the Work, which approval shall not be unreasonably withheld or delayed, it being nevertheless understood that such plans and specifications shall provide for Work so that, upon completion thereof, the Premises shall be at least equal in value and general utility to the Premises immediately prior to the damage or destruction.

(ii) Each request for payment shall be made on not less than seven Business Days prior notice to Lender and shall be accompanied by a certificate of the architect or engineer in (i) above (or a certificate given by Borrower if no architect or engineer is so required) stating (A) that all of the Work completed has been done in substantial compliance with the approved plans and specifications, if required under (i) above, (B) that the sum requested is justly required to reimburse the Borrower for payments by Borrower, or is justly due to the contractor, subcontractors, materialmen, laborers, engineers, architects or other persons rendering services or materials for the Work (giving a brief description of such services and materials), and that when added to all sums previously paid out by Lender does not exceed the value of the Work done to the date of such certificate, (C) if the sum requested is to cover payment relating to repair and restoration of Equipment required or relating to the Premises, that title to the items of

Equipment covered by the request for payment is vested in Borrower, and (D) that the amount of such Proceeds remaining in the hands of Lender will be sufficient on completion of the Work to pay for the same in full (giving in such reasonable detail as Lender may reasonably require an estimate of the cost of such completion). Additionally, each request for payment shall contain a statement signed by Borrower or Borrower's designee approving both the Work done to date and the Work covered by the request for payment in question.

(iii) Each request for payment shall be accompanied by waivers of lien conditioned on payment satisfactory to Lender covering that part of the Work for which payment or reimbursement is being requested and, if required by Lender, a search prepared by a title company or licensed abstractor, or by other evidence reasonably satisfactory to Lender that there has not been filed with respect to the Premises any mechanics' or other lien or instrument for the retention of title relating to any part of the Work not discharged of record. Additionally, as to any Equipment covered by the request for payment, Lender shall be furnished with evidence of payment therefor and such further evidence satisfactory to assure Lender of its valid first lien on the Equipment.

(iv) Lender shall have the right to inspect the Work at all reasonable times, subject to the terms of the Leases and the reasonable requirements of tenants, including, without limitation, safety and confidentiality concerns, and may condition any disbursement of Proceeds upon the satisfactory completion, as determined in Lender's reasonable discretion, of any portion of the Work for which payment or reimbursement is being requested. Neither the approval by Lender of the plans and specifications for the Work nor the inspection by Lender of the Work shall make Lender responsible for the preparation of such plans and specifications or the compliance of such plans and specifications, or of the Work, with any applicable law, regulation, ordinance, covenant or agreement.

(v) Proceeds shall not be disbursed more frequently than every thirty (30) days.

(vi) Any request for payment made after the Work has been completed shall be accompanied by a copy or copies of any certificate or certificates required by applicable law, if any, to render occupancy and full operation of the Premises legal.

(vii) Upon completion of the Work and payment in full therefor, or upon any failure on the part of Borrower to promptly commence the Work or to proceed diligently and continuously to completion of the Work, Lender may apply any such Proceeds it then or thereafter holds to the payment of the Indebtedness upon not less than ten (10) days' written notice to Borrower; provided, however, that Lender, at its sole option and upon not less than ten (10) days' written notice to Borrower, shall be entitled to apply at any time all or any portion of insurance Proceeds it then holds to the curing of

any Event of Default under this Mortgage, the Note or any other Loan Document. Notwithstanding the foregoing, Borrower's obligation to promptly commence the Work or to proceed diligently and continuously to completion of the Work, shall be extended for a period of time equal to the period of any delay directly affecting construction which is caused by fire, earthquake or other act of God, strike, lockout, acts of public enemy, riot, insurrection or governmental regulation of the sale or transportation of materials, supplies or labor; provided, however, that Borrower shall furnish Lender with written notice evidencing such delay within ten (10) days following the occurrence of any such event of delay, and in no event shall the period of any such extension exceed ninety (90) days.

(viii) Notwithstanding any other provision of this Section 2.4, if no Event of Default shall exist or be continuing (nor any matters have occurred which, after notice or passage of time or both, would constitute an Event of Default) and in Lender's reasonable judgment the cost of the Work is less than two percent (2%) of the outstanding principal balance of the Note as of the date of loss or damage to the Premises and/or Equipment and the Work can be completed in less than ninety (90) days, then Lender, upon request by Borrower, shall permit Borrower to apply for and receive the insurance Proceeds directly from the insurer (and Lender shall promptly advise the insurer to pay over such Proceeds directly to Borrower), provided that Borrower shall apply such insurance Proceeds solely to the prompt and diligent commencement and completion of such Work.

Section 2.5 Condemnation. Borrower shall notify Lender promptly of the actual or threatened commencement of any proceedings for the condemnation or taking of the Premises or any portion thereof and shall deliver to Lender copies of any and all papers served on Borrower in connection with such proceedings. Lender may participate in such proceedings and Borrower shall deliver to Lender all reasonable instruments requested by Lender to permit such participation. Lender is hereby irrevocably appointed as Borrower's attorney-in-fact, coupled with an interest, with exclusive power to collect, receive and retain the Proceeds of any such condemnation and to make any compromise or settlement in connection with such proceedings, subject to the provisions of this Mortgage. Borrower shall not adjust, compromise, settle or enter into any agreement with respect to such proceedings without the prior consent of Lender. All Proceeds of any condemnation, or purchase in lieu thereof, of the Premises or any portion thereof are hereby assigned to and shall be paid to Lender. Borrower hereby authorizes Lender to collect and receive such Proceeds, to give proper receipts and acquittances therefor and, in Lender's sole discretion, to apply such Proceeds (less any reasonable and actually incurred cost to Lender of recovering and paying out such Proceeds, including reasonable and actually incurred attorneys' fees and costs allocable to inspecting any repair, restoration or rebuilding work and the plans and specifications therefor) toward the payment of the Indebtedness or to the repair, restoration or rebuilding of the Premises in the manner and subject to the conditions set forth in Section 2.4(h). Any Proceeds held

by Lender shall be held in an interest-bearing escrow account with such depository as Lender shall reasonably designate. The interest accruing on such Proceeds shall be for the benefit of Borrower (and Borrower's taxpayer identification number shall be used with respect thereto) and such accrued interest shall be retained in such escrow account. If the Proceeds are used to reduce the Indebtedness, they shall be applied in the order provided in Section 2.4(d), without any prepayment fee. Borrower shall promptly execute and deliver all instruments reasonably requested by Lender for the purpose of confirming the assignment of the condemnation Proceeds to Lender.

Section 2.6 Impositions.

(a) Borrower shall pay and discharge all Impositions prior to delinquency and shall furnish to Lender receipts or other evidence reasonably satisfactory to Lender showing the payment of that portion of such Impositions constituting property taxes, assessments, levies and other amounts paid with the property tax bills within thirty (30) days after the same would otherwise have become delinquent. Borrower's obligation to pay Impositions pursuant to this Mortgage shall include, to the extent permitted by applicable law, taxes resulting from future changes in law which impose upon Lender an obligation to pay any property taxes or other Impositions. Should Borrower default in the payment of any Impositions, Lender may (but shall not be obligated to) pay such Impositions or any portion thereof and Borrower shall reimburse Lender on ten (10) days' written demand for all such Advances.

(b) Borrower shall not be required to pay, discharge or remove any Imposition so long as Borrower contests in good faith such Imposition or the validity, applicability or amount thereof by an appropriate legal or administrative proceeding, as applicable, which operates to prevent the collection of such amounts and the sale of the Mortgaged Property or any portion thereof; provided, however, that prior to the date on which such Imposition would otherwise have become delinquent Borrower shall have (i) given Lender prior notice of such contest and (ii) upon Lender's request, deposited with Lender, and shall deposit such additional amounts as are necessary to keep on deposit at all times, an amount equal to at least 100 percent of the total of (A) the balance of such Imposition then remaining unpaid and (B) all interest, penalties, costs and charges accrued or accumulated thereon. In lieu of a cash deposit, Borrower shall have the right to make such deposits by letter of credit with a stated amount equal to the amount of such deposits and in a form and issued by an issuer acceptable to Lender in its sole discretion (Lender acknowledges that Bank of Hawaii would be an acceptable issuer of such letter of credit). If Borrower shall make a cash deposit with Lender, such cash deposit shall be held by Lender in an interest-bearing escrow account with such depository as Lender shall reasonably designate. The interest accruing on such cash deposit shall be for the benefit of Borrower (and Borrower's taxpayer identification number shall be used with respect thereto) and such accrued interest shall be retained in such escrow account. Any such contest shall be prosecuted with reasonable due diligence, and Borrower shall promptly

pay the amount of such Imposition as finally determined, together with all interest and penalties payable in connection therewith, if any. Lender shall have full power and authority to apply any amount deposited with Lender under this Section 2.6(b) to the payment of any unpaid Imposition to prevent the sale or forfeiture of the Mortgaged Property for non-payment thereof. Lender shall have no liability, however, for failure to so apply any amount deposited unless Borrower requests the application of such amount to the payment of the particular Imposition for which such amount was deposited; in the event Borrower shall so request in writing, Lender shall promptly cause such amount to be so applied. Any surplus retained by Lender after payment of the Imposition for which a deposit was made shall be promptly repaid to Borrower unless an Event of Default shall have occurred under the provisions of this Mortgage, in which case such surplus shall be applied to the Indebtedness, and Borrower hereby consents to and allows Lender to make such application of any such surplus. Notwithstanding any provision of this Section 2.6(b) to the contrary, Borrower shall pay any Imposition which it might otherwise be entitled to contest if, in the reasonable opinion of Lender, the Mortgaged Property is in imminent danger of being forfeited or foreclosed. If Borrower refuses to pay any such Imposition in the foregoing instance, Lender may (but shall not be obligated to) make such payment and Borrower shall reimburse Lender on not less than ten (10) days' written demand for all such Advances. Additionally, in such event, if Lender is prevented by law or judicial or administrative order from paying such Imposition, then Lender, at its option, may declare the entire Indebtedness immediately due and payable without prepayment premium, fee or charge upon not less than thirty (30) days' prior written notice to Borrower.

Section 2.7 Deposits. Borrower shall deposit with Lender, monthly, on the due date of each monthly installment under the Note, $1/12$ th of the annual charges (as reasonably estimated by Lender) for that portion of Impositions constituting property taxes, assessments, levies and other amounts paid with the property tax bills. If required by Lender in a writing to Borrower, Borrower shall also deposit with Lender, simultaneously with such monthly deposits and/or the execution of this Mortgage, a sum of money which together with such monthly deposits will be sufficient to make the payment of each such charge at least thirty (30) days prior to the date initially due. Should such charges not be ascertainable at the time any deposit is required to be made, the deposit shall be made on the basis of the charges for the prior year or payment period, as reasonably estimated by Lender. When the charges are fixed for the then current year or period, Borrower shall deposit any deficiency within twenty (20) days following the date of Lender's written demand. Subject to the other provisions of this Section, all funds deposited with Lender shall be held without interest (unless the payment of interest thereon is required under applicable law or except as otherwise provided below), may be commingled with Lender's other funds, and shall be applied by Lender in payment of the foregoing charges when and as payable provided that no Event of Default shall have occurred. Should an Event of Default occur, the funds so deposited shall be applied in payment of the charges for which such funds shall have been deposited or to the payment

of the Indebtedness or any other charges affecting the Mortgaged Property, as Lender in its sole discretion may determine, and Borrower hereby consents to and directs any such application, but no such application shall be deemed to have been made by operation of law or otherwise until actually made by Lender as herein provided. Borrower shall furnish Lender with bills and all other documents necessary for the payment of the foregoing charges at least ten (10) days prior to the date on which each payment thereof shall first become due. Notwithstanding anything to the contrary contained in this Section, Lender shall cause fifty percent (50%) of the amounts deposited by Borrower with Lender under this Section to be held in an interest-bearing escrow account with such depository as Lender shall select in its reasonable discretion. Such escrow account shall be held in the name of Lender, but for the benefit of Borrower, and Borrower's taxpayer identification number shall be used to establish such escrow account. Such funds shall initially be invested in the Oppenheimer Centennial Government Trust Account. Any change in the investment of such fund shall be subject to Borrower's sole prior written approval. Interest accrued on such escrow account shall be for the account of Borrower and shall be disbursed to Borrower on a monthly basis. Borrower acknowledges that the risk of loss with respect to such funds in such interest-bearing escrow account caused by market fluctuations shall at all times be borne by Borrower.

Section 2.8 Mortgage Taxes. Borrower shall pay any and all taxes, charges, filing, registration and recording fees, excises and levies imposed upon Lender by reason of its ownership of, or measured by amounts payable under, the Note, this Mortgage or any other Loan Document (other than income, franchise and doing business taxes), and shall pay all stamp taxes and other taxes required to be paid on the Note or the other Loan Documents. If Borrower fails to make such payment within five (5) days after written notice thereof from Lender, Lender may (but shall not be obligated to) pay the amount due, and Borrower shall reimburse Lender on not less than ten (10) days' written demand for all such Advances. If applicable law prohibits Borrower from paying such taxes, charges, filing, registration and recording fees, excises, levies, stamp taxes or other taxes, then Lender may declare the Indebtedness then unpaid to be immediately due and payable. In such event, no prepayment fee shall be charged. Borrower shall have the right to contest Borrower's obligation to pay such taxes, charges, filing, registration and recording fees, excises, levies, stamp taxes or other taxes on the same terms and conditions as are provided above in Section 2.6(b) with respect to Borrower's obligation to pay and discharge Impositions.

Section 2.9 Loan Documents Authorized.

(a) The execution and delivery of this Mortgage, the Note and the other Loan Documents have been duly authorized and there is no provision in Borrower's organizational documents, as amended, requiring further consent for such action by any other person or entity which has not already been undertaken.

(b) Borrower is a valid testamentary trust created under the Will of James Campbell, Deceased and supervised by the First Circuit Court of the State of Hawaii in Equity No. 2388.

(c) Borrower has all necessary franchises, licenses, authorizations, registrations, material permits and material approvals, and full power and authority to own and operate its properties, including the Mortgaged Property, and carry on its business as now conducted in each jurisdiction where Borrower conducts its business.

(d) The execution and delivery of and performance of its obligations under the Loan Documents (i) will not result in Borrower being in default under any provision of its organizational documents, as amended, any court order, or any mortgage, deed of trust or other agreement to which it is a party and (ii) do not require the consent of any governmental authority which has not been obtained, or any prior filing with any governmental authority which has not been completed.

(e) All necessary and required actions have been duly taken by and on behalf of Borrower to make and constitute the Loan Documents, and the Loan Documents constitute, legal, valid and binding obligations enforceable in accordance with their respective terms, subject only to the application of bankruptcy and other laws affecting the rights of creditors generally.

(f) To Borrower's knowledge, the Mortgaged Property is in compliance with all applicable provisions of all zoning, subdivision, land use, environmental, traffic, fire, building, and occupational safety and health rules, regulations, codes, acts and statutes to which it is subject, except as Borrower has otherwise informed Lender in writing prior to the date of this Mortgage, or as otherwise set forth in Aaron & Wright's environmental reports dated November 1999.

(g) Notwithstanding anything herein, the loan evidenced by the Note shall be presented to the First Circuit Court of the State of Hawaii in Equity No. 2388 as part of Borrower's annual accounting to the court. The foregoing is a filing requirement, and the approval of the loan evidenced by the Note by such court is not required in order to make the Loan Documents binding.

Section 2.10 Maintenance of Existence. So long as it owns the Mortgaged Property, Borrower shall do all commercially reasonable things necessary to preserve and keep in full force and effect its existence, franchises, licenses, authorizations, registrations, permits and approvals under the laws of the state of its formation and the State, and shall comply with all applicable regulations, rules, ordinances, statutes, orders and decrees of any governmental authority or court now or hereafter applicable to Borrower or to the Mortgaged Property or any portion thereof.

Section 2.11 Payment of Liens. Borrower shall pay when due all payments and charges due under or in connection with any liens and encumbrances on and security interests in the Mortgaged Property or any portion thereof, all rents and charges under any ground leases and other leases forming a part of the Mortgaged Property, and all claims and demands of mechanics, materialmen, laborers and others which, if unpaid, might result in or permit the creation of a lien on the Mortgaged Property or any portion thereof, and shall cause the prompt (but in no event later than thirty (30) days after imposition), full and unconditional discharge of all liens imposed on or against the Mortgaged Property or any portion thereof. Borrower shall have the right to cause the full and unconditional discharge of any such liens within the period of time provided for above either through cash payment or through a provision of a surety bond in an amount and in a form sufficient to cause any such lien to be released as a lien on the Mortgaged Property under applicable law, as determined by Lender. Borrower shall do or cause to be done, at the sole cost of Borrower, everything necessary (but lawfully permissible) to fully preserve the initial priority of the lien of this Mortgage. If Borrower fails to make any such payment or if a lien attaches to the Mortgaged Property or any portion thereof, Lender may (but shall not be obligated to) make such payment or discharge such lien and Borrower shall reimburse Lender on not less than ten (10) days' written demand for all such Advances.

Section 2.12 Costs of Defending and Upholding the Lien. Lender may, after not less than ten (10) days' prior written notice to Borrower, (a) appear in and defend any action or proceeding, in the name and on behalf of either Lender or Borrower, in which Lender is named or which Lender in its reasonable discretion determines may adversely affect the Mortgaged Property, this Mortgage, the lien hereof or any other Loan Document; and (b) institute any action or proceeding which Lender in its reasonable discretion determines should be instituted to protect the interest or rights of Lender in the Mortgaged Property or under this Mortgage or any other Loan Document, including, without limitation, foreclosure proceedings. Borrower agrees to bear and shall pay or reimburse Lender on not less than thirty (30) days' prior written demand for all Advances and reasonable and actually incurred expenses (including reasonable and actually incurred attorneys' fees) relating to or incurred by Lender in connection with any such action or proceeding.

Section 2.13 Costs of Enforcement. Borrower agrees to bear and shall pay or reimburse Lender on written demand for all Advances and expenses (including reasonable and actually incurred attorneys' and appraisers' fees and the expenses and reasonable fees of any receiver or similar official) of or incidental to the collection of the Indebtedness, any foreclosure of this Mortgage or any other Loan Document, any enforcement, compromise or settlement of this Mortgage, any other Loan Document or the Indebtedness, or any defense or assertion of the rights or claims of Lender in respect of any thereof, by litigation or otherwise.

Section 2.14 Interest on Advances and Expenses. All Advances made and any reasonable and actually incurred expenses incurred at any time by Lender pursuant to the provisions of this Mortgage or the other Loan Documents or under applicable law shall be secured by this Mortgage as part of the Indebtedness, with equal rank and priority. All such Advances and expenses shall bear interest at the Default Rate from the date that each such Advance or expenses is made or incurred to the date of repayment and all such Advances and expenses with interest thereon shall be payable to Lender on not less than ten (10) days' written demand.

Section 2.15 Indemnification. Borrower shall indemnify, defend and hold Lender and their respective directors, officers, employees and agents harmless from and against and reimburse them for all Losses which may be imposed upon, asserted against, or incurred or paid by any of them (a) by reason of, on account of or in connection with any act or occurrence relating to the Mortgaged Property or any bodily injury, death, other personal injury or property damage occurring in, upon or in the vicinity of the Premises from any cause whatsoever, (b) as a result of the failure of Borrower to perform any of its obligations under any of the Loan Documents, or (c) on account of any transaction otherwise arising out of or in any way connected with the Mortgaged Property, this Mortgage or the Indebtedness, other than any Losses caused by Lender's gross negligence, willful misconduct or bad faith.

Section 2.16 Financial Statements; Records. Borrower shall keep adequate books and records of account in accordance with generally accepted accounting principles ("GAAP"), or in accordance with modified accrual accounting or other methods acceptable to Lender in its reasonable discretion, consistently applied, and shall furnish to Lender:

(a) a current certified rent roll, signed and dated by Borrower, detailing for each of the Leases, the names of all tenants of the Premises, the portion of the Premises occupied by each tenant, the annual rental, including base rent, additional rent and percentage rent and the term of each of the Leases, including the expiration date, and any other information as is reasonably required by Lender, within one hundred twenty (120) days after the end of each Fiscal Year of Borrower;

(b) an annual operating statement of the Premises detailing the total revenues received, total expenses incurred and total cost of all capital improvements, to be prepared and certified by Borrower in the form reasonably approved by Lender, within one hundred twenty (120) days after the close of each Fiscal Year of Borrower;

(c) an annual operating budget, capital budget and management plan, if any, presented on a monthly basis consistent with the annual operating statement described above for the Premises, and all proposed capital replacements and improvements within sixty (60) days after the start of each Fiscal Year;

(d) annual audited financial statements of Borrower, consisting of a balance sheet, income statement and either a statement of sources and uses of funds or changes in principal cash, together with related schedules and supporting reports, when applicable; such audited financial statements shall be prepared on the basis of GAAP or modified cash accounting or another accounting method approved by Lender, and shall be prepared and certified by an independent certified public accountant acceptable to Lender, Lender acknowledging that KPMG LLP is acceptable to Lender; Borrower shall deliver such annual audited financial statements to Lender within one hundred fifty (150) days after close of each Fiscal Year of Borrower; and

(e) upon the reasonable written request from Lender, such other financial or management information as may, from time to time, be reasonably required by Lender and in form and substance reasonably satisfactory to Lender.

(f) Borrower's agreements as set forth in this Section 2.16 constitute material inducements to Lender in making the loan secured by this Mortgage. Accordingly, in the event Borrower fails to furnish any financial statement, balance sheet or other financial information as required by this Section within the time period required by this Section or, if no time period is specified in this Section, within thirty (30) days following written request therefor by Lender, time being of the essence, then, in addition to all other remedies available to Lender under this Mortgage, Borrower, upon not less than ten (10) days written notice from Lender in each instance, shall pay Lender a late charge of \$50.00 for each day or part thereof from the date of such written notice that any such financial statement, balance sheet or other financial information as shall be overdue. In addition, Borrower hereby appoints Lender its attorney in fact for the purpose of hiring, with ten (10) days' prior written notice to Borrower, at Borrower's cost an auditing firm to prepare and deliver to Lender any overdue financial information in the event Borrower fails or refuses to furnish to Lender such financial information as and when due. The foregoing late charges and the reasonable and actually incurred out-of-pocket costs and expenses of the auditor shall be due and payable to Lender within ten (10) days following Lender's delivery of an invoice therefor and shall constitute a part of the Indebtedness.

Section 2.17 Prohibition Against Conveyances and Encumbrances.

(a) Except with the prior written consent of Lender, Borrower shall not, and shall not permit others to, convey, assign, sell, mortgage, encumber, pledge, hypothecate, grant a security interest in, grant options with respect to, or otherwise dispose of (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) all or any portion of any legal or beneficial interest (i) in all or any portion of the Mortgaged Property including the Leases; (ii) in the stock of any corporation which is either Borrower or a beneficial owner of all or any portion of Borrower or of the Mortgaged Property; (iii) in Borrower, other than transfers caused by the death of a beneficiary under the Will of James Campbell, Deceased (the "Will"), or the appointment of new or additional trustees to the Will and the replacement of current

trustees of the Will consistent with the terms of the Will; or (iv) if Borrower is a limited or general partnership, limited liability company, joint venture, trust, nominee trust, tenancy in common or other unincorporated form of business association or form of ownership, in any person, firm or entity having a direct or indirect legal or beneficial ownership interest in Borrower, including any legal or beneficial interest in any general partner of Borrower, in any general partner of any general partner of Borrower or in any member of a limited liability company, other than transfers caused by the death of a beneficiary under the Will, or the appointment of new or additional trustees to the Will and the replacement of current trustees of the Will consistent with the terms of the Will. Any such transfer or encumbrance to which Lender consents must be to a United States citizen or an entity owned or controlled by United States citizens, other than transfers to the descendants of a present beneficiary of Borrower. All requests for Lender's consent under this Section 2.17 shall be on a form previously approved by Lender and shall be accompanied by the payment of Lender's standard processing fee customarily charged and paid for such transactions then in effect. Subject to subparagraph (b) below, Lender's consent to any of the foregoing actions, if given (in Lender's sole discretion), may be conditioned upon a modification of the terms of the Note, including, but not limited to, an increase in the interest rate on the loan evidenced by the Note to a rate then being charged by Lender on loans of similar type, the payment of a transfer fee and/or any other requirements of Lender. In addition to the standard processing fee and the transfer fee referred to in this Section 2.17, Borrower agrees to bear and shall pay or reimburse Lender on not less than ten (10) days prior written demand for all reasonable and actually incurred expenses (including reasonable and actually incurred attorneys' fees, title search costs, and title insurance endorsement premiums) incurred by Lender in connection with the review, approval and documentation of any such transaction.

(b) Notwithstanding the provisions of subparagraph (a) above, Lender shall consent to a one-time transfer of title to the Mortgaged Property by Borrower or a successor entity pursuant to subparagraph (c) below without requiring a change in the interest rate, maturity date, amortization period or other terms under the Note, subject, however, to the satisfaction of each and every one of the following conditions prior to or as of the date of such transfer of title to the Mortgaged Property:

(i) Not less than thirty (30) days prior to the date of transfer of title to the Mortgaged Property, Borrower shall provide Lender with written notice of the proposed transfer, together with the names, addresses and organizational documents for the proposed transferee and, where reasonably required by Lender, the principals in the proposed transferee. In addition, Borrower shall furnish to Lender, together with such written notice, each of the following: (A) detailed and complete current financial statements of the proposed transferee and, where reasonably required by Lender, the principals in the proposed transferee; (B) information with respect to the business and business experience of the proposed transferee, and the experience of the proposed transferee and the principals in the proposed transferee in the ownership and operation of

properties similar to the Mortgaged Property and other commercial real estate; (C) evidence that the Mortgaged Property as of the date of transfer of title to the Mortgaged Property and thereafter will be (1) self-managed by such transferee to the extent permitted under subparagraph (iv) below, or (2) managed by a management company and under a management company meeting the requirements of subparagraph (iv) below; (D) the terms and conditions of the proposed transfer and a true, correct and complete copy of the purchase and sale and/or contribution agreement and other agreements executed in connection with the proposed transfer; and (E) such other information as Lender shall reasonably request in order to permit Lender to determine the creditworthiness and management abilities of the proposed transferee, the proposed transferee's management plan for the Mortgaged Property and the proposed transferee's status as a Qualified Real Estate Investor (as defined below);

(ii) The loan evidenced by the Note shall be current in all respects, and both as of the date of Borrower's written notice to Lender pursuant to subparagraph (i) above and thereafter through the date of transfer of title to the Mortgaged Property, no Event of Default, and no event or condition which, with the giving of notice or the passage of time, or both, would constitute an Event of Default, shall have occurred;

(iii) The proposed transferee shall be a Qualified Real Estate Investor;

(iv) As of the date of the transfer of title to the Mortgaged Property and continuing thereafter, either (A) the Mortgaged Property shall be managed by a management company reasonably approved by Lender under a management agreement reasonably acceptable to Lender, or (B) the Mortgaged Property shall be self-managed by Borrower, provided that self-management shall be reasonably satisfactory to and approved by Lender;

(v) The proposed transferee shall assume the loan evidenced by the Note and Borrower's other obligations under the Loan Documents by assumption documents in form and substance satisfactory to Lender, subject, however, to the non-recourse provisions of the Loan Documents existing as of the date of transfer of title to the Mortgaged Property. In addition, on or prior to such date, the proposed transferee shall furnish to Lender an environmental indemnity in form and substance satisfactory to Lender from a financially responsible person or entity approved by Lender. Borrower, the proposed transferee and any other person required by Lender or its counsel shall also execute such financing statements and other documents or instruments as Lender or its counsel shall require in order to effect the transfer and assumption transaction permitted under this subparagraph (b), and shall furnish evidence of property, liability and other insurance coverage required under the Loan Documents;

(vi) Borrower shall have paid to Lender, together with delivery of the written notice provided for in subparagraph (i) above a fee in the amount of one-half of one percent ($\frac{1}{2}$ %) of the then-outstanding principal balance of the Note in immediately

available funds. Such fee shall be retained by Lender whether or not the proposed transfer shall occur, except in the situation described in next sentence, and shall be paid by Borrower in order to induce Lender to allow the proposed transferee to assume the obligations of Borrower under the Loan Documents, and to release Borrower from liability thereunder for all periods from and after date of transfer of title to the Mortgaged Property in accordance with the provisions of this subparagraph (b). Such fee shall be returned to Borrower only if Lender disapproves such proposed transfer as not meeting the requirements of this subparagraph (b); provided, however, that in the event that Lender approves the proposed transfer, but such transfer shall not be consummated, Lender shall return such fee to Borrower, less a \$25,000 processing fee and all reasonable and actual costs incurred by Lender, and Lender shall retain such amounts out of such fee;

(v) The Debt Service Coverage Ratio (as defined below), as reasonably determined by Lender upon Borrower's attempted exercise of Borrower's one-time right of transfer of title to the Mortgaged Property, shall be equal to or greater than 2:1. For the purposes of this Mortgage, "Debt Service Coverage Ratio" shall mean the ratio of the Net Income (as defined below) to the Debt Service (as defined below), as determined by Lender in its sole discretion. For the purposes of this Mortgage, "Net Income" shall mean (A) the gross income derived by Borrower from the Mortgaged Property, excluding insurance proceeds from any casualty insurance policies, during the period in question, less (B) all operating expenses of the Mortgaged Property during the period in question, including real estate taxes and insurance premiums, but excluding principal and interest payments on the Note and depreciation and other non-cash charges. For the purposes of this Mortgage, "Debt Service" shall mean the principal and interest payments payable by Borrower under the Note for the period described below. Debt Service and Net Income shall be determined by Lender in its sole discretion on the basis of the actual Debt Service and Net Income for the period of twelve (12) months concluding as of the last day of the month prior to the month in which the proposed transfer of title to the Mortgaged Property is proposed to occur, and the projected Debt Service and Net Income, as determined by Lender in its sole discretion, for the next succeeding twelve (12) month period. Borrower shall provide Lender with such operating statements and other financial and operating information concerning the Mortgaged Property, in form and substance satisfactory to Lender, as Lender shall reasonably require in order to enable Lender to determine Borrower's satisfaction of the foregoing Debt Service Coverage Ratio condition;

(viii) The Loan-to-Value Ratio (as defined below), as determined upon Borrower's attempted exercise of Borrower's one-time right to transfer title to the Mortgaged Property, shall not exceed fifty-five percent (55%). For the purposes of this Mortgage, "Loan-to-Value Ratio" shall mean the ratio of (A) the outstanding principal balance of the Note, to (B) the lesser of (1) the fair market appraised value of the Mortgaged Property as determined by appraisal as provided below, or (2) the purchase

price for the Mortgaged Property to be paid by the proposed transferee; provided, however, that such purchase price shall not be used in calculating the Loan-to-Value Ratio unless such transfer is a bona fide, arm's-length sale to an unaffiliated third party transferee. In addition, in the event of a contribution transaction, the fair market appraised value of the Mortgaged Property as determined by appraisal as provided below shall be used. The Loan-to-Value Ratio shall be determined as of the date selected by Lender, but not earlier than ninety (90) days prior to the proposed effective date of Borrower's transfer of title to the Mortgaged Property. The fair market appraised value of the Mortgaged Property shall be based upon a current appraisal furnished by Borrower and satisfactory to Lender and prepared by a MAI appraiser acceptable to Lender; and

(ix) In addition to the fee described in subparagraph (vi) above, Borrower shall pay or reimburse Lender on not less than ten (10) days prior written demand for all of Lender's reasonable and actually incurred costs and expenses incurred in connection with the proposed transfer of title to the Mortgaged Property, whether or not the transfer actually occurs, including, without limitation, attorneys' fees, appraisal fees, recording charges, title charges and title insurance endorsement premiums.

(x) In the event that Borrower shall not be entitled to exercise Borrower's right to a one-time transfer of title to the Mortgaged Property under this Section because the conditions contained in subparagraphs (vii) and/or (viii) above shall not have been satisfied, Borrower shall have the right to cause such condition or conditions to be satisfied by making a partial principal prepayment on the outstanding principal amount of the Note in an amount sufficient to cause such condition or conditions to be satisfied. Any such principal prepayment by Borrower shall be accompanied by any prepayment premium, fee or other charge required under the Note.

(xi) For the purposes of this Mortgage, "Qualified Real Estate Investor" shall mean a reputable individual, corporation, partnership, joint venture, joint stock company, limited liability company, partnership, real estate investment trust, operating partnership (so-called "up-REIT" partnership), so-called "down-REIT" partnership (and in each case, the net worth thereof shall be consolidated with the net worth of the real estate investment trust), bank, insurance company, trust or pension fund domiciled in the United States of America which, in Lender's sole determination, has commercial real estate qualifications and creditworthiness satisfactory to Lender, and which, in Lender's sole determination, has real estate assets of at least \$300,000,000, a minimum net worth of at least \$150,000,000 and liquid assets of at least \$5,000,000, all as of the date which is thirty (30) days prior to the proposed date of transfer of title to the Mortgaged Property and as of the day following the actual date of transfer of title to the Mortgaged Property. In addition, neither the proposed transferee nor any principal in the proposed transferee, as of the proposed date of transfer of title to Mortgaged Property or at any time prior thereto, shall be or shall have been (A) in default under any indebtedness or loan from Lender or any affiliate of Lender, (B) involved as a debtor in any bankruptcy,

reorganization or insolvency proceeding, (C) the subject of any criminal charges or proceedings, or (D) an entity or individual who is or has been involved in litigation which is deemed significant by Lender.

(c) Lender acknowledges that Borrower may transfer title to the Mortgaged Property to an entity controlled by, or a successor entity of, the trust established under the Will and of the Estate of James Campbell, Deceased, as a result of (or in contemplation of) the January 20, 2007 termination of such trust (such entity controlled by, or successor entity of, such trust is referred to herein as the "Successor Entity"). Borrower shall not cause or permit any such transfer of the Mortgaged Property to occur without Lender's prior review of such transfer and prior written consent to such transfer, which consent shall not be unreasonably withheld or delayed. Notwithstanding the provisions of subparagraph (a) above, as a condition to providing Lender's prior written consent to any such transfer, Lender shall not require a change in the interest rate, maturity date, amortization period or any other terms under the Note, subject, however, to the satisfaction of each and every one of the following conditions prior to or as of the date of such proposed transfer of title to the Mortgaged Property: (i) the proposed transferee shall be a Qualified Real Estate Investor, as defined in subparagraph (b)(xi) above, including, without limitation, with respect to satisfying the financial thresholds stipulated therein; (ii) the loan evidenced by the Note shall be current in all respects, and both as of the date of Borrower's request for consent to such proposed transfer and thereafter through the date of transfer of title to the Mortgaged Property, no Event of Default, and no event or condition which, with the giving of notice or the passage of time, or both, would constitute an Event of Default, shall have occurred; (iii) Borrower shall pay or reimburse Lender on not less than ten (10) days written demand for all of Lender's reasonable and actually incurred costs and expenses incurred in connection with the proposed transfer of title to the Mortgaged Property, whether or not the transfer actually occurs, including, without limitation, attorney's fees, recording charges, title charges and title insurance endorsement premiums; (iv) the proposed transferee shall assume the loan evidenced by the Note and Borrower's other obligations under the Loan Documents by assumption documents in form and substance satisfactory to Lender, subject, however, to the non-recourse provisions of the Loan Documents existing as of date of the transfer of title to the Mortgaged Property; and (v) on or prior to the date of transfer of title to the Mortgaged Property, at the option of Lender, the proposed transferee shall enter into an environmental indemnity in form and substance satisfactory to Lender.

(d) Notwithstanding the provisions of subparagraph (a) above, from and after the effective date ("Effective Date") of any one-time transfer of title to the Mortgaged Property made by Borrower in accordance with the provisions of subparagraph (b) above (the transferee under such one-time transfer of the Mortgaged Property being referred to herein as the "One-Time Transferee"), in the event that the One-Time Transferee shall be a corporation, limited partnership, limited liability company or other entity, and provided that no Event of Default shall have occurred and be continuing at such time, Lender's

prior written consent shall not be required for any issuance, transfer or other disposition (collectively, "Transfer") occurring in one or more of the instances described below.

(i) If the corporate stock, partnership interests, membership interests or other equity interests in the One-Time Transferee shall be publicly traded in the United States on a national stock exchange or in a recognized over-the-counter market ("Publicly-Traded"), any Transfer of corporate stock, partnership interests, membership interests or other equity interests in the One-Time Transferee, unless (A) such Transfer shall result in the direct or indirect ownership by such transferee and its Affiliates (as defined below) of thirty-five percent (35%) or more of the issued and outstanding corporate stock, partnership interests, membership interests or other equity interests in the One-Time Transferee, and (B) such transferee and its Affiliates shall not already own, directly or indirectly, thirty-five percent (35%) or more of the issued and outstanding corporate stock, partnership interests, membership interests or other equity interests in the One-Time Transferee as of the Effective Date or immediately prior to such Transfer;

(ii) If the corporate stock, partnership interests, membership interests or other equity interests in the general partner or managing member of the One-Time Transferee shall be Publicly-Traded, any Transfer of corporate stock, partnership interests, membership interests or other equity interests in such general partner or managing member, unless (A) such Transfer shall result in the direct or indirect ownership by such transferee and its Affiliates of thirty-five percent (35%) or more of the issued and outstanding corporate stock, partnership interests, membership interests or other equity interests in such general partner or managing member and (B) such transferee and its Affiliates shall not already own, directly or indirectly, thirty-five percent (35%) or more of the issued and outstanding corporate stock, partnership interests, membership interests or other equity interests in such general partner or managing member as of the Effective Date or immediately prior to such Transfer;

(iii) Except as otherwise provided in subparagraph (d)(iv) below, if the corporate stock, partnership interests, membership interests or other equity interests in the One-Time Transferee, and/or in the general partner or managing member of the One-Time Transferee, as applicable, shall not be Publicly-Traded, any Transfer of not more than thirty-five percent (35%) of the corporate stock, partnership interests, membership interests or equity interests in the One-Time Transferee, or the general partner or managing member of the One-Time Transferee, as applicable, in the aggregate for all Transfers subsequent to the Effective Date; or

(iv) Notwithstanding subparagraph (d)(iii) above, if the One-Time Transferee shall be a limited partnership, the general partner of which shall be a real estate investment trust or the wholly-owned subsidiary of a real estate investment trust, and the partnership interests in which shall not be Publicly-Traded, any Transfer of the partnership interests in the One-Time Transferee, unless (A) such Transfer shall result in the direct or indirect ownership by such transferee and its Affiliates (as defined below) of

thirty-five percent (35%) or more of the issued and outstanding partnership interests in the One-Time Transferee, (B) such transferee and its Affiliates shall not already own, directly or indirectly, thirty-five percent (35%) or more of the issued and outstanding partnership interests in the One-Time Transferee as of the Effective Date or immediately prior to such Transfer, and (C) the general partner as of the Effective Date shall not have changed or, if changed, shall have otherwise been approved by Lender in writing.

For the purposes of subparagraphs (d)(i) and (ii) above, "transferee and its Affiliates" shall have the same meaning as "Beneficial Owner" as such term is defined in Rule 13d-3 and Rule 13d-5 under the Securities Exchange Act of 1934, as amended. For the purposes of subparagraphs (d)(iii) and (iv) above, "Affiliate" means any person or entity which, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, a transferee. The term "control" means the possession, directly or indirectly, of the power to cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract, by family relationship, or otherwise. The One-Time Transferee shall pay or reimburse Lender on not less than ten (10) days written demand for all of Lender's reasonable and actually incurred costs and expenses incurred in connection with any of the foregoing Transfers.

(e) In the event that Borrower shall exercise Borrower's right to make a one-time transfer of title to the Mortgaged Property in accordance with the provisions of subparagraph (c) above prior to the January 20, 2007 termination of the trust established under the Will and of the Estate of James Campbell, Deceased, and the Trustees under such trust shall have received corporate stock, partnership interests or membership interests in the transferee, or in the general partner or managing member of the transferee (collectively, "Equity Interests"), then Lender's prior written consent shall not be required for a subsequent transfer of the Equity Interests from the Trustees to the beneficiaries of such trust ("Trust Beneficiaries") taking effect upon the termination of such trust, subject, however, to the satisfaction of each and every one of the following conditions prior to or as of the date of the proposed transfer of the Equity Interests to the Trust Beneficiaries: (i) the Successor Entity shall give to Lender not less than thirty (30) days' prior written notice of the proposed transfer; (ii) the loan evidenced by the Note shall be current in all respects, and both as of the date of the Successor Entity's written notice of the proposed transfer and thereafter through the effective date of the transfer of the Equity Interests to the Trust Beneficiaries, no Event of Default, and no event or condition which, with the giving of notice or the passage of time, or both, would constitute an Event of Default, shall have occurred; (iii) the Successor Entity shall pay or reimburse Lender on not less than ten (10) days' written demand for all of Lender's reasonable and actually incurred costs and expenses incurred in connection with the proposed transfer of the Equity Interests to the Trust Beneficiaries, whether or not the transfer actually occurs, including, without limitation, attorneys' fees, recording charges, title charges and title insurance endorsement premiums; (iv) the Successor Entity shall

execute such assumption or transfer documents as Lender shall require in form and substance satisfactory to Lender, subject, however, to the non-recourse provisions of the Loan Documents existing as of the date of the proposed transfer of the Equity Interests to the Trust Beneficiaries; and (v) the management of the Mortgaged Property and the Successor Entity shall continue to be acceptable to Lender.

(f) Notwithstanding the provisions of subparagraph (a) above, in the event that the Trustees shall have transferred the Equity Interests to the Trust Beneficiaries in accordance with the provisions of subparagraph (e) above, then Lender's prior written consent shall not be required for a subsequent transfer of Equity Interests, subject to the satisfaction of the following conditions: (i) the loan evidenced by the Note shall be current in all respects, and as of the date of the proposed transfer, no Event of Default, and no event or condition which, with the giving of notice or the passage of time, or both, would constitute an Event of Default, shall have occurred; (ii) Lender shall not have given prior written notice that the management of (a) the Mortgaged Property, or (b) the Successor Entity is not acceptable to Lender, which determination and notice shall have been given by Lender acting reasonably; (iii) after the transfer, no less than fifty-five percent (55%) of the Equity Interests in the Successor Entity shall be held by Trust Beneficiaries or Trust Beneficiaries' family members; and (iv) after the transfer, no individual or entity owns greater than thirty-five percent (35%) of the Equity Interests. The Successor Entity shall notify Lender in writing within thirty (30) days following any transfer of the name and address of the transferee of the Equity Interests transferred and the amount of Equity Interests transferred, together with such other reasonable information as Lender shall reasonably request. For the purposes of the foregoing provision, the term "family members" shall mean the spouses of the Trust Beneficiaries, their children and grandchildren, adopted and natural, and the spouses of their children and grandchildren, the parents of the Trust Beneficiaries and any trust established for estate planning purposes for the benefit of any such Trust Beneficiary or any of the foregoing specified family members. The Successor Entity shall pay or reimburse Lender on not less than ten (10) days written demand for all of Lender's reasonable and actually incurred costs and expenses incurred in connection with any of the foregoing transfers of Equity Interests.

Section 2.18 Estoppel Certificates. Within ten (10) Business Days of a request by Lender, Borrower shall furnish to Lender a duly acknowledged written statement confirming the amount of the outstanding Indebtedness, the terms of payment and maturity date of the Note, the date to which interest has been paid, and whether any offsets or defenses exist against the Indebtedness. If any such offsets or defenses are alleged to exist, the nature thereof shall be set forth in detail. Within ten (10) Business Days following a written request therefor by Borrower, and on not more than one occasion each year throughout the term of the loan evidenced by the Note, Lender shall furnish to Borrower a written statement confirming the outstanding Indebtedness, the maturity date of the Note, the date through which interest has been paid and the fact that

the loan evidenced by the Note is in full force and effect. Borrower shall also furnish to Lender, within thirty (30) days following Lender's request therefor, tenant estoppel letters from such tenants of the Premises as Lender may require, but such requests as to any one tenant shall not be made more often than once in a calendar year period. Borrower's obligation to require tenant estoppel letters from the tenants under the Leases in existence as of the date of this Mortgage shall be subject to the terms of such tenant's Lease.

Section 2.19 Assignment of Leases and Property Income.

(a) Borrower hereby absolutely and unconditionally assigns and transfers to Lender the Leases and the Property Income. Borrower shall not otherwise assign, transfer or encumber in any manner the Leases or the Property Income or any portion thereof. Borrower shall have a license to collect and use the Property Income as the same becomes due and payable, revocable by Lender, so long as no Event of Default has occurred, but may not collect any Property Income more than thirty (30) days in advance of the date the same becomes due. The assignment in this Section 2.19 shall constitute an absolute and present assignment of the Leases and the Property Income, and not an additional assignment for security, and the existence or exercise of the Borrower's revocable license to collect Property Income shall not operate to subordinate this assignment to any subsequent assignment. The exercise by Lender of any of its rights or remedies under this Section 2.19 shall not be deemed or construed to make Lender a mortgagee-in-possession.

(b) Except as otherwise consented to by Lender, all Leases entered into after the date of this Mortgage shall be written on the standard form of lease approved by Lender. Borrower shall furnish Lender with executed copies of all Leases, and all modifications and renewals of Leases, within thirty (30) days after execution thereof. No material changes may be made to the Lender-approved standard lease form without the prior written consent of Lender, which consent shall not be unreasonably withheld. All Leases shall provide that they are subordinate to this Mortgage and that the lessee agrees to attorn to Lender. Upon Borrower's written request, Lender shall reasonably consider, on a case-by-case basis, providing the tenant under a Lease with Lender's then-standard form of non-disturbance agreement which shall provide, among other things, that in the event of a foreclosure of this Mortgage, Lender shall not disturb such tenant's occupancy of its premises so long as such tenant is not in default under its Lease. As to Leases for which Lender's approval is required under Section 2.19(d) below, if Lender shall not agree to provide the tenant under such Lease with a non-disturbance agreement, Lender shall advise Borrower in writing of the reasons for Lender's decision.

(c) Borrower shall perform all obligations as lessor under all Leases and shall enforce all of the material terms, covenants and conditions contained in the Leases on the part of the lessee thereunder to be performed or observed, short of termination thereof. Additionally, Borrower shall not take any action which would cause any Lease to cease

to be in full force and effect. Except with the prior written consent of Lender, which consent shall not be unreasonably withheld, Borrower shall not (i) cancel, terminate, surrender, sublet or assign (A) any Lease covering more than 10,000 square feet of leaseable area, in the case of office premises, or consent to any cancellation, termination, surrender, subletting or assignment thereof, or (B) any Lease covering more than 25,000 square feet of leaseable area, in the case of industrial premises, or consent to any cancellation, termination, surrender, subletting or assignment thereof; (ii) amend or modify any Lease for which Lender's approval is required under Section 2.19(d) below, or subordinate any Lease to any mortgage, deed of trust or other security interest that is subordinate to this Mortgage; (iii) waive any material default under or material breach of any Lease; (iv) consent to or accept any prepayment or discount of rent or advance rent under any Lease; (v) take any other action in connection with any Lease which may impair or jeopardize the validity of such Lease or the Lender's interest therein; or (vi) alter, modify or change the terms of any guaranty, letter of credit or other credit support with respect to any of the Leases for which Lender's approval is required under Section 2.19(d) below, or cancel or terminate such guaranty, letter of credit or other credit support without the prior written consent of Lender, which consent shall not be unreasonably withheld. Notwithstanding anything to the contrary contained in this Section 2.19(c), Borrower shall have the right to terminate a Lease in the event of a material default by the tenant thereunder; provided, however, that as to any Lease for which Lender's approval is required under Section 2.19(d) below, Borrower shall obtain Lender's prior written consent to such termination, which consent shall not be unreasonably withheld.

(d) Borrower shall obtain Lender's written approval, which approval shall not be unreasonably withheld or delayed, for Borrower's entering into any new Lease, or any renewal of or modification to any existing or new Lease, which (i) covers twenty percent (20%) or more of the leasable area of the Mortgaged Property, or twenty percent (20%) or more of the leasable area of any property comprising the Mortgaged Property if the Mortgaged Property is comprised of multiple properties, (ii) provides for a rental rate of twenty percent (20%) or more below the current market rental rate for properties similar to the Mortgaged Property, as reasonably determined by Lender, or (iii) has a term of less than five (5) years; provided, however, that in any event (A) the new Lease or the Lease being renewed or modified, as applicable, was prepared on a standard form previously approved by Lender, without material modification, (B) the new Lease or Lease renewal or modification, as applicable, represents an arm's-length transaction, and (C) neither the Lease or the Lease renewal or modification, as applicable, nor the lessee's stated use of its demised premises will violate any provision of any other Lease or restriction or covenant affecting the Premises or this Mortgage or any other Loan Document, including Section 2.20(b) hereof.

(e) In addition to the foregoing, Borrower shall comply with all terms and provisions of the Assignment.

Section 2.20 Environmental Matters; Warranties; Notice; Indemnity.

(a) Borrower represents and warrants to Lender, to Borrower's knowledge and except as otherwise set forth in Aaron & Wright's environmental reports dated November 1999 ("Environmental Reports"), as follows:

(i) Borrower has not installed, used, generated, manufactured, produced, stored, released, discharged or disposed of in, on, under or about the Premises, or transported to or from any portion of the Premises, any Hazardous Substance or allowed any other person or entity to do so, except under conditions permitted by applicable Environmental Laws;

(ii) there are no Hazardous Substances or underground storage tanks in, on, or under or about the Premises, except those that are both (A) in compliance with applicable Environmental Laws and with permits issued pursuant thereto, and (B) fully disclosed in the Environmental Reports;

(iii) there are no past, present or threatened Releases of any Hazardous Substance in, on, under or about the Premises, except as defined in the Environmental Reports;

(iv) there is no threat of any Release of Hazardous Substances migrating to the Premises;

(v) there is no past or present non-compliance with applicable Environmental Laws, or with permits issued pursuant thereto, in connection with the Premises or the Equipment;

(vi) Borrower does not know of, and has not received, any written or oral notice or other communication from any person or entity (including, but not limited to, a governmental entity) relating to Hazardous Substances or Remediation thereof, of possible liability of any person or entity pursuant to any applicable Environmental Law, other environmental conditions in connection with the Premises or Equipment, or any actual or potential administrative or judicial proceedings in connection with any of the foregoing respecting the Premises; and,

(vii) Borrower has provided to Lender, in writing, all material information relating to the environmental conditions in, on, under and about the Premises that is known by Borrower and that is contained in Borrower's files and records, including, but not limited to, any reports relating to Hazardous Substances in, on, under or about the Premises and/or to the environmental condition of the Premises.

(b) Borrower shall not install, use, generate, manufacture, produce, store, Release, discharge or dispose of on, under or about the Premises, or transport to or from any portion of the Premises, any Hazardous Substance or allow any other person or entity to

do so, except under conditions permitted by applicable Environmental Laws. Additionally, except with the prior written consent of Lender, no portion of the Premises shall be leased, used or occupied for dry cleaning operations or the storage of any chemicals used in the dry cleaning process.

(c) Borrower shall keep and maintain the Premises in compliance with, and shall not cause or permit the Premises to be in violation of, applicable Environmental Laws.

(d) Borrower shall promptly provide notice to Lender of:

(i) any proceeding, investigation or inquiry commenced by any governmental authority with respect to the presence of any Hazardous Substance on, under or about the Premises or the migration of any Hazardous Substance to or from adjoining property;

(ii) all claims made or threatened by any person or entity against Borrower respecting the Premises, any other party occupying the Premises or any portion thereof, or the Premises, relating to any loss or injury allegedly resulting from any Hazardous Substance at the Premises; and

(iii) the discovery of any occurrence or condition on the Premises or on any real property adjoining or in the vicinity of the Premises, of which Borrower becomes aware, which might cause the Premises or any portion thereof to be in violation of any applicable Environmental Law or subject to any restriction on ownership, occupancy, transferability or use under any applicable Environmental Law (collectively, an "Environmental Violation").

(e) Lender may join and participate in, as a party if Lender so determines, after written notice to Borrower, any legal or administrative proceeding or action concerning the Premises or Equipment under any applicable Environmental Law. Borrower agrees to bear and shall pay or reimburse Lender within thirty (30) days following written demand for all Advances and actually incurred expenses (including reasonable and actually incurred attorneys' fees) relating to or incurred by Lender in connection with any such action or proceeding.

(f) Borrower shall indemnify, defend and hold Lender and its directors, officers, employees, agents, successors and assigns harmless from and against any and all claims, demands, liabilities, losses, damages, judgments, penalties, costs and expenses (including reasonable and actually incurred attorneys' fees) directly or indirectly arising out of or attributable to (a) a breach of any warranty, representation or covenant contained in this Section 2.20 or in Sections 2.21 or 2.22 below, or a breach of any other provision thereof, or (b) the use, generation, manufacture, storage, treatment, Release, discharge, disposal, transportation or presence of any Hazardous Materials in, on, under or about the Premises, including the soils or groundwaters thereof. Such indemnity shall include,

without limitation, (i) all actual and consequential damages, (ii) the costs of any required Remediation, and (iii) the costs of the preparation and implementation of any plans for Remediation, closure or other required plans. This indemnity shall survive the satisfaction, release or extinguishment of the lien of this Mortgage including any extinguishment of such lien by foreclosure or deed in lieu thereof. Notwithstanding the foregoing, Borrower's obligations under this Section 2.20(f) shall not apply to any Hazardous Materials which first came to be located on the Premises following (A) the date on which the loan evidenced by the Note shall have been paid in full and Lender shall have caused a full reconveyance of the lien of this Mortgage to be recorded in the Official Records of the county in which the Premises are located, provided that such loan shall have been paid in accordance with its terms without acceleration and without an Event of Default having been declared by Lender; (B) the date on which (1) a deed conveying title to the Premises shall have been recorded in the Official Records of the county in which Premises are located in favor of Lender or another party, other than any officer, shareholder, partner, member or other affiliate of Borrower, any party having a direct or indirect management and controlling interest in Borrower (each an "Affiliate"), in foreclosure of this Mortgage or by deed-in-lieu thereof, and (2) Lender or such other party shall have taken possession of Premises; or (C) the date of recordation in the Official Records of the county in which Premises are located of a deed in favor of a transferee under the one-time transfer permitted under Section 2.17(b) above; provided, however, that in each case (x) such Hazardous Materials came to be located on the Premises by reason of the act or omission of a party or parties other than Borrower or an Affiliate and after the date of recordation of the full reconveyance or deeds described in the foregoing clauses (A), (B) or (C) and after the taking of possession of the Premises by Lender or such other transferee described in the foregoing clauses; (y) such Hazardous Materials came to be located on the Premises not as the result, in whole or in part, of the negligent or intentional act or omission of Borrower or an Affiliate and (z) Borrower itself did not cause such Hazardous Materials to be located on the Premises, and Borrower did not cause any general partner of a partnership of which Borrower is a partner to cause such Hazardous Materials to be located on the Premises.

Section 2.21 Environmental Matters; Remedial Work.

(a) If any investigation, site monitoring, containment, cleanup, removal, restoration or other Remediation of any kind or nature (collectively, the "Remedial Work") is required or reasonably necessary under any applicable Environmental Law because of or in connection with the current or future presence, suspected presence, release or suspected release of a Hazardous Substance into the air, soil, groundwater, surface water, or soil vapor on, under or about the Premises or any portion thereof, Borrower shall promptly commence and diligently prosecute to completion all such Remedial Work. In all events, such Remedial Work shall be commenced within sixty (60) days after any written demand therefor by Lender or such shorter period as may be required under any applicable Environmental Law.

(b) All Remedial Work shall be performed by contractors, and under the supervision of a consulting engineer, each reasonably approved in advance by Lender. All costs and expenses of such Remedial Work and Lender's monitoring or review of such Remedial Work (including reasonable and actually incurred attorneys' fees) shall be paid by Borrower. If Borrower does not timely commence and diligently prosecute to completion the Remedial Work, Lender may (but shall not be obligated to) cause such Remedial Work to be performed after not less than ten (10) days written notice to Borrower. Borrower agrees to bear and shall pay or reimburse Lender on not less than ten (10) days written demand for all Advances and expenses (including reasonable and actually incurred attorneys' fees) relating to or incurred by Lender in connection with monitoring, reviewing or performing any Remedial Work.

(c) Except with Lender's prior consent, Borrower shall not commence any Remedial Work or enter into any settlement agreement, consent decree or other compromise relating to any Hazardous Substances or applicable Environmental Laws respecting the Premises which might, in Lender's sole judgment, impair the value of Lender's security hereunder. Lender's prior consent shall not be required, however, if the presence or threatened presence of Hazardous Substances on, under or about the Premises poses an immediate threat to the health, safety or welfare of any person or is of such a nature that an immediate remedial response is necessary, and it is not possible to obtain Lender's prior consent. In such event Borrower shall notify Lender as soon as practicable of any action taken.

Section 2.22 Environmental Matters; Inspection.

(a) Lender shall have the right at all reasonable times to enter upon and inspect all or any portion of the Premises, provided that such inspections shall be subject to the terms of the Leases and the reasonable requirements of tenants, including, without limitation, safety and confidentiality concerns. Lender may select a consulting engineer to conduct and prepare reports of such inspections. The inspection rights granted to Lender in this Section 2.22 shall be in addition to, and not in limitation of, any other inspection rights granted to Lender in this Mortgage, and shall expressly include the right to conduct soil borings and other customary environmental tests, assessments and audits.

(b) Borrower agrees to bear and shall pay or reimburse Lender within thirty (30) days following written demand for all Advances and reasonable expenses (including reasonable attorneys' fees) relating to or incurred by Lender in connection with the inspections and reports described in this Section 2.22 in the following situations:

(i) If Lender has reasonable grounds to believe, at the time any such inspection is ordered, that there exists an Environmental Violation or that a Hazardous Substance is present on, under or about the Premises or is migrating to or from adjoining property, except under conditions permitted by applicable Environmental Laws and not prohibited by any Loan Document;

(ii) if any such inspection reveals an Environmental Violation or that a Hazardous Substance is present on, under or about the Premises or is migrating to or from adjoining property, except under conditions permitted by applicable Environmental Laws and not prohibited by any Loan Document; or

(iii) if an Event of Default exists at the time any such inspection is ordered.

Section 2.23 Management. At all times prior to the payment in full of the Indebtedness, the management of the Mortgaged Property shall be reasonably satisfactory to and approved by Lender, and if the Mortgaged Property shall be managed by a third party, the Mortgaged Property shall be managed by a management company reasonably satisfactory to Lender, and pursuant to a management agreement reasonably satisfactory to Lender. If at any time Borrower shall not comply with the foregoing provisions, Lender shall have the right to accelerate the maturity date of the Indebtedness, in which case the Indebtedness, including any prepayment premium payable by Borrower in accordance with the provisions of the Note, shall become immediately due and payable to Lender. Notwithstanding the foregoing, if at any time the management of the Mortgaged Property shall not be satisfactory to Lender, Borrower shall have a reasonable opportunity, not to exceed ninety (90) days, following ten (10) days' prior written notice from Lender indicating that the present management of the Mortgaged Property is not reasonably satisfactory to Lender to obtain management of the Mortgaged Property reasonably satisfactory to and approved by Lender pursuant to a management agreement reasonably satisfactory to Lender; and if Borrower shall do so within such period time, Lender shall not accelerate the maturity date of the Indebtedness by reason of such management of the Mortgaged Property. Any management agreement affecting the Mortgaged Property, and any agreement providing for leasing commissions and affecting the Mortgaged Property, shall be subordinate to this Mortgage. As of the date hereof, Lender approves Jones Lang LaSalle as manager of the Mortgaged Property, reserving the right, however, to revoke such approval.

Section 2.24 ERISA. As of the date hereof and throughout the term of this Mortgage, (i) Borrower is not and will not be an "employee benefit plan" as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA; (ii) the assets of Borrower do not and will not constitute "plan assets" of one or more such plans for purposes of Title I of ERISA; (iii) Borrower is not and will not be a "governmental plan" within the meaning of Section 3(3) of ERISA; (iv) transactions by or with Borrower are not and will not be subject to state statutes applicable to Borrower regulating investments of fiduciaries with respect to governmental plans; and (v) Borrower 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 this Mortgage, the Note, or the other Loan Documents) to be a non-exempt (under a statutory or administrative class exemption) prohibited transaction under ERISA. Borrower further agrees to deliver to

Lender such certifications or other evidence of compliance with the provisions of this Section 2.24 as Lender may from time to time request.

Section 2.25 Covenants, Conditions, Restrictions. Borrower shall timely perform all obligations imposed upon Borrower or the Premises by any governmental or private covenants, conditions, restrictions or easements affecting the Premises. Borrower shall promptly provide Lender with copies of all material documents delivered or received by Borrower under any governmental or private covenant, condition, restriction or easement affecting the Premises.

Section 2.26 Operating Account. Borrower shall maintain its primary operating account for the Mortgaged Property at a financial institution reasonably acceptable to Lender ("Operating Account"). As provided above, Borrower has granted to Lender a first priority security interest in the Operating Account with respect to those funds constituting Property Income. Borrower shall cause all amounts received by Borrower under the Leases and otherwise from Borrower's operation of the Mortgaged Property to be deposited into the Operating Account. At Lender's request, Borrower shall deliver to Lender account statements with respect to the Operating Account.

ARTICLE III Security Agreement

Section 3.1 Warranties, Representations and Covenants of Borrower. Borrower covenants, warrants, represents and agrees with and to Lender as follows:

(a) This Mortgage constitutes a security agreement under the Code and serves as a fixture filing in accordance with the Code. This Mortgage creates a security interest in favor of Lender as secured party under the Code with respect to all property (specifically including the Collateral) included in the Mortgaged Property which is covered by the Code. The mention of any portion of the Mortgaged Property in a financing statement filed in the records normally pertaining to personal property shall not derogate from or impair in any manner the intention of Borrower and Lender hereby declared that all items of collateral described in this Mortgage are part of the real property encumbered hereby to the fullest extent permitted by law, regardless of whether any such item is physically attached to the Improvements or whether serial numbers are used for the better identification of certain items. Specifically, the mention in any such financing statement of (i) the rights in or the Proceeds of any policy of insurance, (ii) any condemnation Proceeds, (iii) Borrower's interest in any Leases or Property Income, or (iv) any other item included in the Mortgaged Property, shall not be construed to alter, impair or impugn any rights of Lender as determined by this Mortgage or the priority of Lender's lien upon and security interest in the Mortgaged Property. Any such mention shall be for the protection of Lender in the event that notice of Lender's priority of interest as to any portion of the Mortgaged Property is required to be filed in accordance with the Code to

be effective against or take priority over the interest of any particular class of persons, including the federal government or any subdivision or instrumentality thereof.

(b) Except for the security interest granted by this Mortgage, Borrower is and, as to portions of the Collateral to be acquired after the date hereof, will be the sole owner of the Collateral, free from any lien, security interest, encumbrance or adverse claim thereon of any kind whatsoever except Permitted Encumbrances. Borrower shall notify Lender of, and shall defend the Collateral against, all claims and demands of all persons at any time claiming the same or any interest therein.

(c) Except as otherwise provided in this Mortgage, Borrower shall not lease, sell, convey or in any manner transfer the Collateral without the prior consent of Lender.

(d) The Collateral is not used or bought for personal, family or household purposes.

(e) The Collateral shall be kept on or at the Premises, and Borrower shall not remove the Collateral from the Premises without the prior consent of Lender, except such portions or items of the Collateral as are consumed or worn out in ordinary usage, all of which shall be promptly replaced by Borrower with items of equal or greater value.

(f) In the event of any change in name, identity or structure of Borrower, Borrower shall notify Lender thereof and promptly after request shall execute, file and record such Code forms as are necessary to maintain the priority of Lender's lien upon and security interest in the Collateral, and shall pay all expenses and fees in connection with the filing and recording thereof. If Lender shall require the filing or recording of additional Code forms or continuation statements, Borrower shall, promptly after request, execute, file and record such Code forms or continuation statements as Lender shall deem necessary as a legal matter (subject to Lender's right to sign such statements on behalf of Borrower as provided in Section 3.1(g)), and shall pay all expenses and fees in connection with the filing and recording thereof. If Lender shall initially pay such expenses, Borrower shall promptly reimburse Lender for the expenses.

(g) Borrower hereby irrevocably appoints Lender as its attorney-in-fact, coupled with an interest, to execute in the name of and on behalf of Borrower any and all financing statements and continuations thereof and to file with the appropriate public office on its behalf and at its expense any financing or other statements signed only by Lender, as secured party, in connection with the Collateral covered by this Mortgage. Lender shall use reasonable efforts to provide Borrower with copies of any financing or other statements signed by Lender in accordance with the foregoing provision.

Section 3.2 Financing Statements. A CARBON, PHOTOGRAPHIC OR OTHER REPRODUCTION OF THIS MORTGAGE OR ANY FINANCING

STATEMENT RELATING TO THIS MORTGAGE SHALL BE SUFFICIENT AS A FINANCING STATEMENT.

Section 3.3 Addresses. The mailing address of Borrower and the address of Lender from which information concerning the security interest granted hereby may be obtained are set forth on the Cover Sheet of this Mortgage. Borrower maintains its sole place of business or its chief executive office at the address shown on said Cover Sheet, and Borrower shall immediately notify Lender in writing of any change in said place of business or chief executive office.

Section 3.4 Fixture Filing. As provided above, this Mortgage shall constitute a fixture filing under Section 9-313 and 9-402 of the Code as to any goods and other personal property included in the Mortgaged Property in which Borrower has granted to Mortgagee a security interest as provided in this Article III which are or may become fixtures under applicable law. This fixture filing is to be recorded in the County Recorder's Office of Cook County, Illinois.

ARTICLE IV Default and Remedies

Section 4.1 Events of Default. Each of the following shall constitute an Event of Default under this Mortgage, the Note and the other Loan Documents, subject to any cure rights provided for herein or therein:

- (a) failure in the payment of any amount due as and when due under this Mortgage, the Note or any other Loan Document;
- (b) failure to pay any Imposition as and when due or to maintain insurance as required by this Mortgage;
- (c) default in the due observance or performance of any term, covenant or condition contained in this Mortgage, the Note or any other Loan Document;
- (d) if any representation made herein or in any other Loan Document shall prove to be untrue in any material respect when made;
- (e) violation of any of the covenants set forth in Section 2.17 with respect to conveyances, sales, encumbrances or other prohibited dispositions of the Mortgaged Property or Borrower or any portion thereof or any interest therein;
- (f) violation of any of the covenants set forth in Section 2.19(a) with respect to the further assignment, transfer or encumbrance by Borrower of the Leases or the Property Income or any portion thereof;

(g) violation of any of the covenants set forth as items (i) through (vi) of Section 2.19(c) with respect to certain actions concerning Leases which shall not be taken by Borrower without the prior consent of Lender;

(h) if Borrower consents to the filing of, or commences or consents to the commencement of, any Bankruptcy Proceeding with respect to Borrower;

(i) if any Bankruptcy Proceeding shall have been filed against Borrower and the same is not withdrawn, dismissed, canceled or terminated within 90 days of such filing;

(j) if Borrower is adjudicated bankrupt or insolvent or a petition for reorganization of Borrower or any other party is granted;

(k) if a receiver, liquidator or trustee of Borrower shall be appointed;

(l) if Borrower shall make an assignment for the benefit of its creditors or shall admit in writing the inability to pay its debts generally as they become due;

(m) except as otherwise permitted herein, including, without limitation, Section 2.17(c) of this Mortgage, if Borrower shall institute or cause to be instituted any proceeding for the termination or dissolution of Borrower;

(n) if a default or event of default shall occur under any mortgage, deed of trust, encumbrance, lien or security agreement encumbering all or any portion of the Mortgaged Property which is subordinate or superior to the lien of this Mortgage, or if any party under any such instrument shall commence a foreclosure or other collection or enforcement action in connection therewith, provided however, that this provision shall not be deemed to be a waiver of the provisions of Section 2.17 prohibiting further encumbrances or of any other provision of this Mortgage, it being understood that it is an event of default under this Mortgage to permit any further mortgage, encumbrance, lien or security agreement to encumber all or any portion of the Mortgaged Property without the prior written consent of Lender;

(o) except as permitted in this Mortgage, the actual or threatened alteration, demolition or removal of any of the Improvements without the prior consent of Lender;

(p) damage to any of the Mortgaged Property in any manner which is not covered by insurance as a result of Borrower's failure to maintain insurance required in accordance with this Mortgage;

(q) the occurrence of a material default by Borrower under or with respect to any material governmental or private covenant, condition, restriction or easement affecting the Premises and legally enforceable against Borrower; or

(r) the occurrence of an uncured default by Borrower under, or Borrower's surrender, termination or rescission without Lender's prior written consent of, any Lease which covers twenty-five percent (25%) or more of the rentable area of the Mortgaged Property.

Section 4.2 Remedies. Upon the occurrence of any Event of Default, Lender may take such actions against Borrower and/or the Mortgaged Property or any portion thereof as it deems advisable to protect and enforce its rights against Borrower and in and to the Mortgaged Property, without notice or demand except as set forth below. Any such actions taken by Lender shall be cumulative and concurrent and may be pursued independently, singly, successively, together or otherwise, at such time and in such order as Lender may determine in its sole discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of Lender permitted by law, equity or contract or as set forth herein or in the other Loan Documents. Such actions may include the following:

(a) Subject to any applicable provisions of the Note, Lender may declare the entire principal balance under the Note then unpaid, together with all accrued and unpaid interest thereon, and all other unpaid Indebtedness, to be immediately due and payable.

(b) Lender may enter into or upon the Mortgaged Property, personally or by its agents, nominees or attorneys, and may dispossess Borrower and its agents and servants therefrom, and thereupon Lender at its sole discretion may: (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every portion of the Mortgaged Property and conduct business thereon, in any case either in the name of Lender or in such other name as Lender shall deem best; (ii) complete any construction on the Mortgaged Property in such manner and form as Lender deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Mortgaged Property; (iv) exercise all rights and powers of Borrower with respect to the Mortgaged Property, whether in the name of Borrower or otherwise, including the right to make, cancel (subject to any non-disturbance agreement entered into by Lender), enforce or modify Leases, obtain and evict tenants, and demand, sue for, collect and receive all Property Income; and (v) apply the receipts of Property Income to the payment of the Indebtedness (including any prepayment fee payable under the Note) in such order as Lender shall determine in its sole discretion, after deducting therefrom all expenses (including reasonable attorneys' fees) incurred in connection with the aforesaid operations and all amounts necessary to pay the Impositions, insurance and other charges in connection with the Mortgaged Property, as well as just and reasonable compensation for the services of Lender, its agents, nominees and attorneys.

(c) Subject to any applicable provisions of the Note and applicable law, with or without entry, personally or by its agents, nominees or attorneys, Lender may sell all or any portion of the Mortgaged Property and all or any portion of Borrower's estate, right, title, interest, claim and demand therein and right of redemption thereof at one or more

private or public sales in the manner and to the extent permitted by law, as an entirety or in parcels or portions, and Lender shall have any statutory power of sale as may be provided by law in the State.

(d) Subject to any applicable provisions of the Note and applicable law, Lender may institute proceedings for the complete foreclosure of this Mortgage, in which case the Mortgaged Property may be sold for cash or upon credit, as an entirety or in parcels or portions.

(e) Subject to any applicable provisions of the Note and applicable law, Lender may institute proceedings for the partial foreclosure of this Mortgage for the portion of the Indebtedness then due and payable, subject to the continuing lien of this Mortgage for the balance of the Indebtedness not then due.

(f) Lender may institute an action, suit or proceeding at law or in equity for the specific performance of any covenant, condition or agreement contained herein or in the Note or any other Loan Document, or in aid of the execution of any power granted hereunder or for the enforcement of any other appropriate legal or equitable remedy.

(g) Lender shall have the rights and may take such actions as are set forth, described or referred to in any rider entitled "Rider - Applicable State Law Provisions" attached hereto and made a part hereof, or as are permitted by the laws of the State.

(h) Subject to any applicable provisions of the Note, Lender may recover judgment on the Note, either before, during or after any proceedings for the foreclosure or enforcement of this Mortgage.

(i) Lender may secure the appointment of a receiver, trustee, liquidator or similar official of the Mortgaged Property or any portion thereof, and Borrower hereby consents and agrees to such appointment, without notice to Borrower and without regard to the adequacy of the security for the Indebtedness and without regard to the solvency of Borrower or any other person, firm or entity liable for the payment of the Indebtedness, and such receiver or other official shall have all rights and powers permitted by applicable law and such other rights and powers as the court making such appointment may confer, but the appointment of such receiver or other official shall not impair or in any manner prejudice the rights of Lender to receive the Property Income pursuant to this Mortgage or the Assignment.

(j) Lender may exercise any or all of the remedies available to a secured party under the Code in accordance with the Code, but any sale of the Equipment shall be subject to any applicable provisions of the Note.

(k) Lender may pursue any other rights and remedies of Lender permitted by law, equity or contract or as set forth herein or in the other Loan Documents.

(l) Lender may apply any funds then on deposit with Lender for payment of Impositions, ground rent or insurance premiums in the manner provided for in Section 2.7.

Section 4.3 General Provisions Regarding Remedies.

(a) Effect of Judgment. No recovery of any judgment by Lender and no levy of an execution under any judgment upon the Mortgaged Property or upon any other property of Borrower shall affect in any manner or to any extent the lien of this Mortgage upon the Mortgaged Property or any portion thereof, or any rights, powers or remedies of Lender hereunder. Such lien, rights, powers and remedies of Lender shall continue unimpaired as before.

(b) Continuing Power of Sale. The power of sale conferred upon Lender in this Mortgage shall not be exhausted by any one or more sales as to any portion of the Mortgaged Property remaining unsold, but shall continue unimpaired until all of the Mortgaged Property is sold or all of the Indebtedness is paid.

(c) Right to Purchase. At any sale of the Mortgaged Property or any portion thereof pursuant to the provisions of this Mortgage, Lender shall have the right to purchase the Mortgaged Property being sold, and in such case shall have the right to credit against the amount of the bid made therefor (to the extent necessary) all or any portion of the Indebtedness then due.

(d) Right to Terminate Proceedings. Lender may terminate or rescind any proceeding or other action brought in connection with its exercise of the remedies provided in Section 4.2 at any time before the conclusion thereof, as determined in Lender's sole discretion and without prejudice to Lender.

(e) No Waiver or Release. Lender may resort to any remedies and the security given by the Loan Documents, in whole or in part, and in such portions and in such order as determined in Lender's sole discretion. No such action shall in any way be considered a waiver of any rights, benefits or remedies evidenced or provided by the Loan Documents. The failure of Lender or Borrower to exercise any right, remedy or option provided in the Loan Documents shall not be deemed a waiver of such right, remedy or option or of any covenant or obligation secured by the Loan Documents. No acceptance by Lender of any payment after the occurrence of an Event of Default and no payment by Lender of any Advance or obligation for which Borrower is liable hereunder shall be deemed to waive or cure such Event of Default or Borrower's liability to pay such obligation. No sale of all or any portion of the Mortgaged Property, no forbearance on the part of Lender, and no extension of time for the payment of the whole or any portion of the Indebtedness or any other indulgence given by Lender to Borrower or any other person or entity, shall operate to release or in any manner affect Lender's interest in the Mortgaged Property or the liability of Borrower to pay the Indebtedness, except to the

extent that such liability shall be reduced by Proceeds of the sale of all or any portion of the Mortgaged Property received by Lender. No waiver by Lender shall be effective unless it is in writing and then only to the extent specifically stated.

(f) No Impairment; No Release. The interests and rights of Lender under the Loan Documents shall not be impaired by any indulgence, including (i) any renewal, extension or modification which Lender may grant with respect to any of the Indebtedness; (ii) any surrender, compromise, release, renewal, extension, exchange or substitution which Lender may grant with respect to the Mortgaged Property or any portion thereof; or (iii) any release or indulgence granted to any maker, endorser, guarantor or surety of any of the Indebtedness. If the Mortgaged Property is sold and Lender enters into any agreement with the then owner of the Mortgaged Property extending the time of payment of the Indebtedness, or otherwise modifying the terms hereof or of any other Loan Document, Borrower shall continue to be liable to pay the Indebtedness according to the tenor of any such agreement unless expressly released and discharged in writing by Lender.

(g) Waivers and Agreements Regarding Remedies. To the fullest extent that Borrower may legally do so, Borrower:

(i) agrees that Borrower will not at any time insist upon, plead, claim or take the benefit or advantage of any laws now or hereafter in force providing for any appraisal or appraisement, valuation, stay, extension or redemption, and waives and releases all rights of redemption, valuation, appraisal or appraisement, stay of execution, extension and notice of election to accelerate or declare due the whole of the Indebtedness;

(ii) waives all rights to a marshalling of the assets of Borrower, Borrower's members, and others with interests in Borrower, including the Mortgaged Property, or to a sale in inverse order of alienation in the event of foreclosure of the interests hereby created, and agrees not to assert any right under any laws pertaining to the marshalling of assets, the sale in inverse order of alienation, homestead exemption, the administration of estates of decedents, or any other matters whatsoever to defeat, reduce or affect the right of Lender under the Loan Documents to a sale of the Mortgaged Property for the collection of the Indebtedness without any prior or different resort for collection, or the right of Lender to the payment of the Indebtedness out of the Proceeds of sale of the Mortgaged Property in preference to every other claimant whatsoever;

(iii) waives any right to bring or use any defense, counterclaim or setoff, other than one in good faith, which denies the existence or sufficiency of the facts upon which the foreclosure action is grounded or which is based on Lender's wrongful actions. If any defense, counterclaim or setoff (other than one permitted by the preceding sentence) is raised by Borrower in such foreclosure action, such defense, counterclaim or setoff shall be dismissed. If such defense, counterclaim or setoff is based on a claim

which could be tried in an action for money damages, the foregoing waiver shall not bar a separate action for such damage (unless such claim is required by law or applicable rules of procedure to be pleaded in or consolidated with the action initiated by Lender), but such separate action shall not thereafter be consolidated with Lender's foreclosure action. The bringing of such separate action for money damages shall not be deemed to afford any grounds for staying any such foreclosure action;

(iv) waives and relinquishes any and all rights and remedies which Borrower may have or be able to assert by reason of the provisions of any laws pertaining to the rights and remedies of sureties;

(v) waives the defense of laches and any applicable statutes of limitation; and

(vi) waives any right to have any trial, action or proceeding tried by a jury.

(h) Lender's Discretion. Lender may exercise its rights, options and remedies and may make all decisions, judgments and determinations under this Mortgage and the other Loan Documents in its sole unfettered discretion, except as otherwise expressly provided for herein.

(i) Recitals of Facts. In the event of a sale or other disposition of the Mortgaged Property pursuant to Section 4.2 and the execution of a deed or other conveyance pursuant thereto, the recitals therein of facts (such as default, the giving of notice of default and notice of sale, demand that such sale should be made, postponement of sale, terms of sale, purchase, payment of purchase money and other facts affecting the regularity or validity of such sale or disposition) shall be conclusive proof of the truth of such facts. Any such deed or conveyance shall be conclusive against all persons as to such facts recited therein.

(j) Lender's Right to Waive, Consent or Release. Lender may at any time, in writing, (i) waive compliance by Borrower with any covenant herein made by Borrower to the extent and in the manner specified in such writing; (ii) consent to Borrower's doing any act which Borrower is prohibited hereunder from doing, or consent to Borrower's failing to do any act which Borrower is required hereunder to do, to the extent and in the manner specified in such writing; or (iii) release any portion of the Mortgaged Property, or any interest therein, from this Mortgage and the lien of the other Loan Documents. No such act shall in any way impair the rights of Lender hereunder except to the extent specified by Lender in such writing.

(k) Possession of the Mortgaged Property. Upon the occurrence of any Event of Default hereunder and demand by Lender at its option, Borrower shall immediately surrender or cause the surrender of possession of the Premises to Lender. If Borrower or

any other occupant is permitted to remain in possession, such possession shall be as tenant of Lender and such occupant (i) shall on written demand pay to Lender monthly, in advance, reasonable use and occupancy charges for the space so occupied, and (ii) in default thereof, may be dispossessed by the usual summary proceedings. Upon written demand, Borrower shall assemble the Collateral and make it available at any place Lender may reasonably designate to allow Lender to take possession and/or dispose of the Collateral. The covenants herein contained may be enforced by a receiver of the Mortgaged Property or any portion thereof. Nothing in this Section 4.3(k) shall be deemed a waiver of the provisions of this Mortgage prohibiting the sale or other disposition of the Mortgaged Property without Lender's consent.

(l) Limitations on Liability

(i) Notwithstanding anything in this Mortgage or any other Loan Document to the contrary, subject to the provisions of this Section, in any action or proceedings brought on this Mortgage, the Note or on any of the Loan Documents in which a money judgment is sought, Lender will look solely to the Mortgaged Property and other property described in the Loan Documents (including the Property Income and any other rents and profits from such property) for payment of the Indebtedness and, specifically and without limitation, Lender agrees to waive any right to seek or obtain any deficiency judgment against Borrower and any persons or entities having an interest in Borrower including, without limitation, the Trustees or beneficiaries thereof.

(ii) The provisions of Section 4.3(1)(i) shall not

(A) constitute a waiver, release or impairment of any obligation evidenced or secured by this Mortgage, the Note or any other Loan Document by Lender;

(B) be deemed to be a waiver of any right which Lender may have under Sections 506(a), 506(b), 1111(b) or any other provisions of the U.S. Bankruptcy Code to file a claim for the full amount of the Indebtedness secured by this Mortgage or to require that all Collateral shall continue to secure all of the Indebtedness owing to Lender in accordance with the Note, this Mortgage and the Loan Documents;

(C) impair the right of the Lender to name Borrower as a party defendant in any action or suit for judicial foreclosure and sale under this Mortgage;

(D) affect the validity or enforceability of, or limit recovery under, any indemnity (including the environmental indemnity set forth in Section 2.20(f) of this Mortgage or any separate environmental indemnity agreement, however designated), guaranty, lease or similar instrument made in connection with this Mortgage, the Note or the Loan Documents;

(E) impair the right of the Lender to obtain the appointment of a receiver; or

(F) impair Lender's rights and remedies under Section 2.19 of this Mortgage regarding the assignment of Leases and Property Income to Lender or under the Assignment.

(iii) Notwithstanding any provisions of this Section 4.3(l), nothing herein shall be deemed to impair or prejudice in any way the right of Lender (which right is specifically reserved) to pursue or obtain personal recourse liability against Borrower for the following:

(A) obligations and liabilities under any master lease, guaranty or indemnity;

(B) fraud or material misrepresentation in connection with Borrower's application for the loan evidenced by the Note or the making of such loan;

(C) insurance and/or condemnation proceeds received but not paid over or applied in accordance with the Loan Documents;

(D) misappropriation of any security deposits, advances or prepaid rents, cancellation or termination payments and other similar sums received by Borrower from any tenants or other occupants of the Premises;

(E) personal property covered by Lender's security interest obtained in connection with the loan evidenced by the Note which is taken from the Premises or on behalf of Borrower and not replaced with personal property of the same utility and of the same or greater value;

(F) any act of arson, malicious destruction or waste by Borrower or by any indemnitor or guarantor under any of the Loan Documents given Lender in connection with the making of the loan evidenced by the Note;

(G) revenues of the Mortgaged Property which are not applied to payments due on the loan evidenced by the Note or to operating expenses of the Mortgaged Property (including, without limitation, any reserves or escrows required by any Loan Document), thereby resulting in, or contributing materially to, an Event of Default; provided, however, that Lender shall have no right to recover distributions from the revenues of the Mortgaged Property to Borrower or any beneficiary of Borrower, made in good faith (after determining the sufficiency of revenues to cover the payments due on the loan evidenced by the Note and the foregoing operating and capital expenses) more than 180 days prior to the occurrence of an Event of Default; or

(H) the filing by Borrower of a voluntary bankruptcy or insolvency proceeding or the filing against Borrower of an involuntary bankruptcy or insolvency proceeding which is not dismissed within ninety (90) days of filing.

(iv) Borrower's liability under this Mortgage shall not be the personal liability of any Trustee, beneficiary or employee of the Estate of James Campbell.

(m) Subrogation. If all or any portion of the proceeds of the Note or any Advance shall be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any prior lien or encumbrance upon the Mortgaged Property or any portion thereof, then Lender shall be subrogated to, and shall have the benefit of the priority of, such other lien or encumbrance and any additional security held by the holder thereof.

ARTICLE V Miscellaneous

Section 5.1 Notices.

(a) All notices, consents, approvals and requests required or permitted hereunder or under any other Loan Document shall be given in writing and shall be effective for all purposes if hand delivered or sent by (i) certified or registered United States mail, postage prepaid, or (ii) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, addressed in either case to any party hereto at its address as stated on the Cover Sheet of this Mortgage, or at such other address and person as shall be designated from time to time by Lender or Borrower, as the case may be, in a written notice to the other party in the manner provided for in this Section 5.1. A notice shall be deemed to have been given: in the case of hand delivery, at the time of delivery; in the case of registered or certified mail, five Business Days after deposit in the United States mail; or in the case of expedited prepaid delivery, upon the first attempted delivery on a Business Day. A party receiving a notice which does not comply with the technical requirements for notice under this Section 5.1 may elect to waive any deficiencies and treat the notice as having been properly given.

(b) Borrower shall notify Lender promptly of the occurrence of any of the following: (i) receipt of written notice from any governmental authority relating to the Mortgaged Property; (ii) any material change in the occupancy of the Mortgaged Property; (iii) receipt of any written notice from the holder of any other lien or security interest in the Mortgaged Property; or (iv) commencement of any judicial or administrative proceedings by, against or otherwise affecting Borrower or the Mortgaged Property which could materially adversely affect the value of the Mortgaged Property or the ability of Borrower to pay the loan evidenced by the Note or to perform Borrower's other obligations under the Loan Documents, or any other judicial action by any creditor thereof as a result of any default under the terms of any loan which could materially

adversely affect the ability of Borrower to pay the loan evidenced by the Note or to perform Borrower's other obligations under the Loan Documents.

Section 5.2 Binding Obligations; Joint and Several. The provisions and covenants of this Mortgage shall run with the land, shall be binding upon Borrower, its successors and assigns, and shall inure to the benefit of Lender and its respective successors and assigns.

Section 5.3 Captions. The captions of the sections and subsections of this Mortgage are for convenience only and are not intended to be a part of this Mortgage and shall not be deemed to modify, explain, enlarge or restrict any of the provisions hereof.

Section 5.4 Further Assurances. Borrower shall do, execute, acknowledge and deliver, at its sole cost and expense, such further acts, instruments or documentation, including additional title insurance policies or endorsements, as Lender may reasonably require from time to time to better assure, transfer and confirm unto Lender the rights now or hereafter intended to be granted to Lender under this Mortgage or any other Loan Document.

Section 5.5 Severability. If any one or more of the provisions contained in this Mortgage shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Mortgage, but this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

Section 5.6 Borrower's Obligations Absolute. All sums payable by Borrower hereunder shall be paid without notice (except as otherwise set forth in this Mortgage or the other Loan Documents), demand (except as otherwise set forth in this Mortgage or the other Loan Documents), counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the obligations and liabilities of Borrower hereunder shall in no way be released, discharged, or otherwise affected (except as expressly provided herein or in any other Loan Documents) by reason of: (a) any damage to or destruction of or any condemnation or similar taking of the Mortgaged Property or any portion thereof; (b) any restriction or prevention of or interference with any use of the Mortgaged Property or any portion thereof; (c) any title defect or encumbrance or any eviction from the Premises or any portion thereof by title paramount or otherwise; (d) any Bankruptcy Proceeding relating to Borrower, any general partner of Borrower, or any guarantor or indemnitor, or any action taken with respect to this Mortgage or any other Loan Document by any trustee or receiver of Borrower or any such general partner, guarantor or indemnitor, or by any court, in any such proceeding; (e) any claim which Borrower has or might have against Lender; (f) any default or failure on the part of Lender to perform or comply with any of the terms hereof or of any other agreement with Borrower; or (g) any other occurrence whatsoever, whether similar or dissimilar to the foregoing, whether or not Borrower shall have notice

or knowledge of any of the foregoing. Except as expressly provided herein, Borrower waives all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction of any sum secured hereby and payable by Borrower.

Section 5.7 Amendments. This Mortgage cannot be altered, amended, modified or discharged orally and no executory agreement shall be effective to modify or discharge it in whole or in part, unless in writing and signed by the party against which enforcement is sought.

Section 5.8 Other Loan Documents and Schedules. All of the agreements, conditions, covenants, provisions and stipulations contained in the Note and the other Loan Documents, and each of them, which are to be kept and performed by Borrower are hereby made a part of this Mortgage to the same extent and with the same force and effect as if they were fully set forth in this Mortgage, and Borrower shall keep and perform the same, or cause them to be kept and performed, strictly in accordance with their respective terms. The Cover Sheet and each schedule and rider attached to this Mortgage are integral parts of this Mortgage and are incorporated herein by this reference. In the event of any conflict between the provisions of any such schedule or rider and the remainder of this Mortgage, the provisions of such schedule or rider shall prevail.

Section 5.9 Legal Construction.

(a) The enforcement of this Mortgage shall be governed by, and construed and interpreted in accordance with, the laws of the State

(b) All terms contained herein shall be construed, wherever the context of this Mortgage so requires, so that the singular number shall include the plural, and the plural the singular, and the use of any gender shall include all genders.

(c) The terms "include" and "including" as used in this Mortgage shall be construed as if followed by the phrase "without limitation".

(d) Any provision of this Mortgage permitting the recovery of attorneys' fees and costs shall be deemed to include such fees and costs incurred in all appellate proceedings.

Section 5.10 Merger. So long as any Indebtedness shall remain unpaid, fee title to and any other estate in the Mortgaged Property shall not merge, but shall be kept separate and distinct, notwithstanding the union of such estates in any person or entity.

Section 5.11 Time of the Essence. Time shall be of the essence in the performance of all obligations of Borrower and Lender under this Mortgage.

Section 5.12 Transfer of Loan. Lender, in the management of its investments or for any other reason, may, at any time, sell, transfer or assign the Note, the Mortgage and the other Loan Documents and the servicing rights with respect thereto or grant participations therein or issue mortgage pass-through certificates or other securities evidencing a beneficial interest in the Note, Mortgage and other Loan Documents (collectively, a "Transfer"). As part of a Transfer, Lender may forward to each transferee, assignee, servicer, participant or investor all documents and information which Lender now has or may hereafter acquire relating to the Indebtedness, the Loan Documents and the Mortgaged Property. Borrower agrees to cooperate with Lender in connection with a Transfer including, without limitation, the delivery of any estoppel certificates required under Section 2.18 and such other documents as may be reasonably be requested by Lender, including, without limitation, replacement promissory notes for the Promissory Note. Notwithstanding the foregoing, (a) for the first two (2) years after the date on which Lender shall disburse any proceeds of the loan evidenced by the Note to or for the account of Borrower, Lender shall not make any Transfer (directly or through participation) to any party other than a party who qualifies as a "qualified person" under Section 49(a)(1)(D)(iv) of the Internal Revenue Code of 1986, as amended, and (b) at the time Lender enters into an agreement to make a Transfer (directly or through participation) to a party who is not a subsidiary or affiliate of Lender, Lender shall use best efforts to provide Borrower written notice of the Transfer; provided, however, that Lender shall incur no liability whatsoever to Borrower or to any other person or entity if, through inadvertence, Lender shall fail to give such written notice to Borrower.

Section 5.13 Release. If all of the Indebtedness is paid in full in accordance with the Note and the other Loan Documents and all of the covenants, warranties, conditions, undertakings and agreements made in this Mortgage and the other Loan Documents are fully kept and performed, then in that event only all rights of Lender under this Mortgage and the other Loan Documents shall terminate and the Mortgaged Property shall become wholly clear of the liens, grants, security interests, conveyances and assignments evidenced hereby and thereby, and Lender shall release or cause to be released such liens, grants, assignments, conveyances and security interests in due form at Borrower's cost (to the extent permitted by the law of the State), and this Mortgage shall be void; provided, however, that no provision of this Mortgage or any other Loan Document which, by its own terms, is intended to survive such payment, performance, and release (nor the rights of Lender under any such provision) shall be affected in any manner thereby and such provision shall, in fact, survive. Recitals of any matters or facts in any release instrument executed by Lender under this Section 5.13 shall be conclusive proof of the truthfulness thereof. To the extent permitted by law, such an instrument may describe the grantee or releasee as "the person or persons legally entitled thereto" and Lender shall not have any duty to determine the rights of persons claiming to be rightful grantees or releases of any of the Mortgaged Property. When this Mortgage has been fully released or discharged by Lender, the release or discharge hereof shall operate as a

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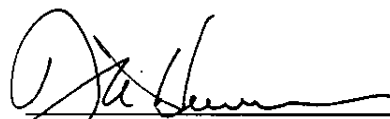
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release and discharge of the Assignment and as a reassignment of all future Leases and Property Income with respect to the Mortgaged Property to the person or persons legally entitled thereto, unless such release expressly provides to the contrary.

Property of Cook County Clerk's Office

IN WITNESS WHEREOF, this Mortgage has been duly executed and delivered as of the day and year first above written.

THE DULY APPOINTED TRUSTEES
QUALIFIED AND ACTING UNDER THE
WILL AND OF THE ESTATE OF JAMES
CAMPBELL, DECEASED, acting in their
fiduciary and not in their individual capacities



D. A. Heenan



C. R. Churchill

Property of Cook County Clerk's Office

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ARBOR LAKE CENTRE

EXHIBIT A

LEGAL DESCRIPTION:

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PARCEL 1:

LOT 1 IN ARBORLAKE CENTRE, BEING A SUBDIVISION IN SECTIONS 5 AND 6, TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS ACCORDING TO THE PLAT THEREOF RECORDED MARCH 14, 1985 AS DOCUMENT 27475383, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

NON-EXCLUSIVE EASEMENT APPURTENANT TO AND FOR THE BENEFIT OF PARCEL 1 FOR INGRESS AND EGRESS OVER AND ACROSS THE FOLLOWING DESCRIBED REAL ESTATE AS CREATED BY GRANT OF EASEMENT DATED FEBRUARY 7, 1984 AND RECORDED AS DOCUMENT 27021045, AS AMENDED BY AMENDMENT TO GRANT OF EASEMENT RECORDED AS DOCUMENT 27419485 AND BY SECOND AMENDMENT TO GRANT OF EASEMENT RECORDED AS DOCUMENT 88145387:

THE SOUTH 47 FEET OF THE NORTH 160 FEET OF THE NORTH 1/2 OF THE WEST 1/2 OF LOT 2 (EXCEPT THE EAST 25.0 FEET THEREOF) OF THE NORTHWEST 1/4 OF SECTION 5, TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN; ALSO THE SOUTH 47 FEET OF THE NORTH 160 FEET OF THE EAST 5 ACRES (EXCEPT THEREFROM THE WEST 162 FEET OF THE EAST 5 ACRES) OF THE NORTH 1/2 OF THE EAST 1/2 OF LOT 2 OF THE NORTHEAST 1/4 OF SECTION 6, TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS;

AND

A STRIP OF LAND 80 FEET WIDE, EXTENDING 53 FEET SOUTH FROM THE SOUTH RIGHT OF WAY LINE OF COUNTY LINE ROAD, THE CENTER LINE OF SUCH 80 FOOT WIDE STRIP BEING A LINE PARALLEL TO AND 596.44 FEET WEST OF THE EAST LINE OF THE WEST 1/2 OF LOT 2 OF THE NORTHWEST 1/4 OF SECTION 5, TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS;

AND

THAT PART OF THE NORTH 1/2 OF THE WEST 1/2 OF LOT 2 IN THE NORTHWEST 1/4 OF SECTION 5, TOWNSHIP 42 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS BEGINNING AT THE INTERSECTION OF THE SOUTH RIGHT OF WAY LINE OF COUNTY LINE ROAD WITH A LINE 103.62 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SECTION 5, AFORESAID; THENCE NORTH 89 DEGREES 49 MINUTES 07 SECONDS WEST ALONG SAID RIGHT OF WAY LINE FOR A DISTANCE OF 150 FEET; THENCE SOUTH 70 DEGREES 46 MINUTES 12 SECONDS EAST 33.18 FEET TO A POINT OF CURVE; THENCE SOUTHERLY ALONG AN ARC OF A CIRCLE CONVEX EASTERLY AND HAVING A RADIUS OF 26.13 FEET FOR A DISTANCE OF 49.64 FEET TO A POINT OF TANGENCY (THE CHORD OF SAID ARC HAVING A BEARING OF SOUTH 16 DEGREES 21 MINUTES 16 SECONDS EAST); THENCE SOUTH 38 DEGREES 03 MINUTES 41

SECONDS WEST 14.48 FEET TO A LINE 63.0 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID RIGHT OF WAY; THENCE SOUTH 89 DEGREES 49 MINUTES 07 SECONDS EAST ALONG SAID PARALLEL LINE 111.29 FEET; THENCE NORTHEASTERLY ALONG AN ARC OF A CIRCLE CONVEX WESTERLY AND HAVING A RADIUS OF 32.0 FEET FOR A DISTANCE OF 75.69 FEET TO A POINT OF TANGENCY (THE CHORD OF SAID ARC HAVING A BEARING OF NORTH 18 DEGREES 11 MINUTES 00 SECONDS EAST); THENCE NORTH 85 DEGREES 56 MINUTES 19 SECONDS EAST 90.08 FEET TO THE SOUTH RIGHT OF WAY LINE OF COUNTY LINE ROAD, AFORESAID; THENCE NORTH 89 DEGREES 49 MINUTES 07 SECONDS WEST ALONG SAID RIGHT OF WAY LINE 159.50 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

AND

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THAT PART OF LOT 2 IN THE NORTHEAST 1/4 OF SECTION 6, TOWNSHIP 42 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, AS SAID LOT IS REPRESENTED ON THE MAP OF GOVERNMENT SURVEY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH LINE OF THE NORTH 160.0 FEET OF THE NORTH 1/2 OF THE EAST 1/2 OF LOT 2 OF THE NORTHEAST 1/4 OF SECTION 6, AFORESAID, WHICH IS 162 FEET EAST OF THE WEST LINE OF THE EAST 5 ACRES OF THE NORTH 1/2 OF THE EAST 1/2 OF LOT 2 IN THE NORTHEAST 1/4 OF SECTION 6, AFORESAID; THENCE SOUTH 00 DEGREES 27 MINUTES 47 SECONDS WEST PARALLEL WITH THE WEST LINE OF SAID EAST 5 ACRES 25.0 FEET; THENCE NORTH 72 DEGREES 59 MINUTES 48 SECONDS EAST 87.0 FEET TO THE SOUTH LINE OF THE NORTH 160.0 FEET, AFORESAID; THENCE SOUTH 89 DEGREES 41 MINUTES 39 SECONDS WEST 83.0 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ARCEL 3:

NON-EXCLUSIVE EASEMENT APPURTENANT TO AND FOR THE BENEFIT OF PARCEL 1 FOR INGRESS AND EGRESS AND ACCESS AND FOR CONSTRUCTION AND INSTALLATION OF THE HUEHL ROAD EXTENSION OVER, ACROSS AND UPON THE FOLLOWING DESCRIBED REAL ESTATE AS CREATED BY DECLARATION AND GRANT OF EASEMENT DATED FEBRUARY 11, 1984 AND RECORDED FEBRUARY 23, 1985 AS DOCUMENT 27441713 MADE BY AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED MAY 15, 1983 AND KNOWN AS TRUST NUMBER 57661:

THE WEST 25 FEET (LYING SOUTH OF THE NORTH LINE OF THE SOUTH 1/2 OF GOVERNMENT LOT 2 IN THE NORTHWEST 1/4 OF THE HERINAFTER DESCRIBED SECTION 5) OF LOT 1 IN LAKE COOK OFFICE CENTRE, BEING A RESUBDIVISION OF LOT 3 IN LAKE COOK ROAD INDUSTRIAL PARK, BEING A SUBDIVISION IN THE NORTHEAST 1/4 AND THE NORTHWEST 1/4 OF SECTION 5, TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

NON-EXCLUSIVE EASEMENT APPURTENANT TO AND FOR THE BENEFIT OF PARCEL 1 FOR PARKING, INGRESS AND EGRESS, UTILITY FACILITIES, LANDSCAPING, TENNIS COURTS AND SIGNAGE OVER AND ACROSS THE FOLLOWING DESCRIBED REAL ESTATE AS CREATED BY THE DECLARATION AND GRANT OF RECIPROCAL RIGHTS DATED JANUARY 31, 1985 AND RECORDED FEBRUARY 6, 1985 AS DOCUMENT 27435249 MADE BY AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO AS TRUSTEE UNDER TRUST NUMBERS 1840, 63290, 63291, 63292 AND THE AMENDED AND RESTATEMENT THEREOF DATED APRIL 18, 1988 AND RECORDED APRIL 18, 1988 AS DOCUMENT 88160149, AS FURTHER AMENDED BY FIRST SUPPLEMENT TO AMENDED AND RESTATED DECLARATION AND GRANT OF RECIPROCAL RIGHTS, DATED MARCH 31, 1992 AND RECORDED APRIL 1, 1992 AS DOCUMENT 92219422 AND RE-RECORDED JUNE 19, 1992 AS DOCUMENT 92446486, AND

AS FURTHER AMENDED BY FIRST AMENDMENT TO AMENDED AND RESTATED DECLARATION AND GRANT OF RECIPROCAL RIGHTS, DATED OCTOBER 26, 1992 AND RECORDED DECEMBER 14, 1993 AS DOCUMENT 03020936.

1751 Lake Cook Road, Deerfield, IL
PIN: 04-06-201-010

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RIDER

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APPLICABLE STATE LAW PROVISIONS

Pursuant to the provisions of Section 5.8 of this Mortgage, this Rider and the following terms and provisions are hereby attached to, incorporated into and made a part of this Mortgage.

1. The proceeds of the Indebtedness referred to herein shall be used solely for business purposes and in furtherance of the regular business affairs of Borrower, and the entire principal obligation secured by this Mortgage constitutes (i) a "business loan" as that term is defined in, and for all purposes of, 815 ILCS 205/4(c), and (ii) a "loan secured by a mortgage on real estate" within the purview and operation of 815 ILCS 205/4(1).

2. The Premises do not fall within the categories of real property covered by the Illinois Responsible Property Transfer Act, 765 ILCS 90/1 et seq., as amended (the "Transfer Act"). Borrower shall protect, indemnify and hold Lender and Lender's directors, officers, employees, agents, successors and assigns harmless from and against any and all loss, damage, cost, expense, liability and penalty (including, without limitation, reasonable attorneys' fees and costs) arising out of or attributable to any violation of the statutory disclosure requirements of the Transfer Act. This indemnity shall survive the satisfaction, release, or extinguishment of lien of this Mortgage, including, without limitation, any extinguishment of the lien of this Mortgage by foreclosure or deed-in-lieu thereof.

3. This Mortgage secures the payment of the entire Indebtedness, including, without limitation, all amounts owed pursuant to Section 2.14 hereof, and all costs and expenses referred to in Sections 2.11, 2.12, 2.13, 2.15, 2.20, 2.21, 2.22, 4.2, 4.3 and 5.13 hereof; provided, however that the total amount secured by this Mortgage shall not exceed an amount equal to three hundred percent (300%) of the face amount of the Note.

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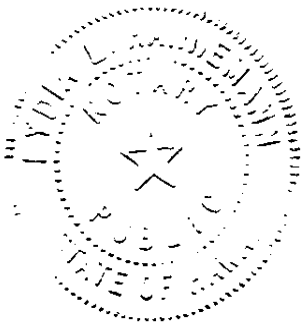
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STATE OF HAWAII }
 }
CITY AND COUNTY OF HONOLULU } SS.

On this 15th day of December, 1999, before me personally appeared C. R. Churchill and D. A. Heenan, Trustees Under the Will and of The Estate of James Campbell, Deceased, to me known to be the persons described in and who severally executed the foregoing instrument, and severally acknowledged that they executed the same as their free act and deed as such Trustees.

Lydia L. Hannemann

Printed Name: Lydia L. Hannemann
Notary Public, State of Hawaii
My commission expires: Feb. 11, 2000



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