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WP DAR 55-1041
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$71.00

FIRST MORTGAGE

Dated as December 1, 1989

in the amount of $96,915,000.00

from Kohl's Department Stores, Inc., a Delaware corporation (the "Mortgagor")

to Commercial Real Estate Structured Transactions, Inc. (the "Mortgagee")

LOCATION OF PREMISES:

Chicago Ridge, Illinois

After recording, please return to:

Rosenthal and Schanfield
55 East Monroe, Suite 4620
Chicago, Illinois 60603

Attn: Donald A. Robinson

This instrument was prepared by the above named attorney.

COOK COUNTY, ILLINOIS
FILED FOR RECORD

Box 78

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FIRST MORTGAGE

THIS MORTGAGE, made this 1st day of December, 1989 by Kohl's Department Stores, Inc., a Delaware corporation, whose address is N54 W13600 Woodale Drive, Menomonee Falls, Wisconsin 53051, Attention: William Kellogg, Chairman (herein called the "Mortgagor") to Commercial Real Estate Structured Transactions, Inc., whose address is c/o General Electric Capital Corporation, 260 Long Ridge Road, Stamford, Connecticut 06902, Attention: Manager-Financial Guaranty Programs, CRE Financing (herein called the "Mortgagee").

WITNESSETH, that to secure the payment of an indebtedness in the sum of

NINETY-SIX MILLION NINE HUNDRED FIFTEEN THOUSAND DOLLARS
($96,915,000.00)

lawful money of the United Sates, to be paid according to a certain note bearing even date herewith in the form of Exhibit A attached hereto and by this reference incorporated in and made a part hereof, as said note may be hereinafter amended or extended (the "Note"), all other obligations and liabilities due or to become due the Mortgagee hereunder, under the Loan Agreement hereinafter referred to, and under any other documents evidencing and/or securing the Note, all amounts, sums and expenses paid hereunder by the Mortgagee according to the terms hereof and all other obligations and liabilities of the Mortgagor under this Mortgage and the Note, together with all interest on the said indebtedness, obligations, liabilities, amounts, sums and expenses (all of the aforesaid are hereinafter collectively referred to as the "Indebtedness"), the Mortgagor hereby MORTGAGES, GRANTS, BARGAINS, SELLS, WARRANTS, CONVEYS, ALIENS, REMISES, RELEASES, ASSIGNS, SETS OVER AND CONFIRMS to the Mortgagee:

All that certain lot, piece or parcel of land more particularly described in Exhibit B attached hereto and by this reference made a part hereof;

All right, title and interest of Mortgagor in that certain Operating Agreement dated May 1, 1980 and recorded in the Office of the Recorder of Deeds of Cook County, Illinois on June 12, 1989 as document 25484410, as amended by amendment dated and recorded in the Office of the Recorder of Deeds of Cook County, Illinois on January 25, 1984 as document 26944026 by and between LaSalle National Bank, as trustee under trust agreement dated March 1, 1979 and known as trust number 100388,

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Sears Roebuck and Company, a New York corporation, and Federated Department Stores, Inc., a Delaware corporation (herein called the "Reciprocal Agreement"), including, but not limited to, Mortgagor's right to amend, terminate or otherwise modify such agreement;

TOGETHER with the buildings and improvements now or hereafter located on said land and all right, title and interest, if any, of the Mortgagor in and to the streets and roads abutting said land to the center lines thereof, and strips and gores within or adjoining said land, the air space and right to use said air space above said land, all rights of ingress and egress by motor vehicles to parking facilities on or within said land, all easements now or hereafter affecting said land, royalties and all rights appertaining to the use and enjoyment of said land, including, without limitation, alley, drainage, mineral, water, oil and gas rights (said land and/or leasehold estate, together with said building and improvements, the property and other rights, privileges and interests encumbered or conveyed hereby, are hereinafter collectively referred to as the "Premises");

TOGETHER with all furnishings, fixtures and equipment and all appurtenances and additions thereto and substitutions or replacements thereof, owned by the Mortgagor and now or hereafter permanently attached to the Premises (herein called "Fixtures") and used or useful in the general operation of the Premises as improved real estate (rather than in Mortgagor's retail business), such as, by way of illustration, heating, cooling, fire protection equipment and plumbing, electrical distribution and other utility connections or equipment, but not in any event including any trade fixtures, inventory, equipment or material handling or conveying equipment or other items principally used in the Mortgagor's business. Without limiting the foregoing, the Mortgagor hereby grants to the Mortgagee a security interest in the above described Fixtures (the Premises and said Fixtures encumbered and conveyed hereby are hereinafter sometimes called the "Mortgaged Property") and the Mortgagee shall have, in addition to all rights and remedies provided herein, and in any other agreements, commitments and undertakings made by the Mortgagor to the Mortgagee, all of the rights and remedies of a "secured party" under the said Uniform Commercial Code. To the extent permitted under applicable law, this Mortgage shall be deemed to be a "security agreement" (as defined in the aforesaid Uniform Commercial Code). If the lien of this Mortgage is subject to a security interest covering any such Fixtures, then all of the right, title and interest of the Mortgagor in and to

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any and all such property is hereby assigned to the Mortgagee, together with the benefits of all deposits and payments now or hereafter made thereon by the Mortgagor;

TOGETHER with all leases, lettings and licenses of the Premises or any part thereof now or hereafter entered into and all right, title and interest of the Mortgagor thereunder, including, without limitation, cash and securities deposited thereunder and the right to receive and collect the rents, issues and profits payable thereunder;

TOGETHER with all unearned premiums, accrued, accruing or to accrue under insurance policies now or hereafter obtained by the Mortgagor relating to the Mortgaged Property and all proceeds of the conversion, voluntary or involuntary, of the Mortgaged Property or any part thereof into cash or liquidated claims, including, without limitation, proceeds of hazard and title insurance and all awards and compensation heretofore and hereafter made to the present and all subsequent owners of the Mortgaged Property by any governmental or other lawful authorities for the taking by eminent domain, condemnation or otherwise, of all or any part of the Mortgaged Property or any easement therein, including awards for any change of grade of streets;

TOGETHER with all right, title and interest of the Mortgagor in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances (to the extent such additions and/or appurtenances constitute real property and/or Fixtures) to, the Mortgaged Property, hereafter acquired by, or released to, the Mortgagor or constructed, assembled or placed by the Mortgagor on the Mortgaged Property, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further mortgage, conveyance, assignment or other act by the Mortgagor, shall become subject to the lien of this Mortgage as fully and completely, and with the same effect, as though now owned by the Mortgagor and specifically described herein.

TO HAVE AND TO HOLD the Mortgaged Property unto the Mortgagee and its successors and assigns until the Indebtedness is paid in full.

ARTICLE I

Covenants of the Mortgagor

AND the Mortgagor covenants and agrees with the Mortgagee as follows:

Section 1.01. Payment of the Indebtedness. The Mortgagor will punctually pay the Indebtedness in immediately available funds as provided herein and in the Note, all in the coin and currency of the United States of America which is legal tender for the payment of public and private debts.

Section 1.02. Title to the Mortgaged Property. The Mortgagor warrants that: (i) it has title to the Mortgaged Property subject only to those exceptions to title set forth in the policy of title insurance insuring the lien of this Mortgage; (ii) it has full power and lawful authority to encumber the Mortgaged Property in the manner and form herein set forth; (iii) it will own all Fixtures now or hereafter affixed and/or used in connection with the Premises, including any substitutions or replacements thereof, free and clear of liens and claims except for permitted liens as shown on the Mortgagee's title insurance policy insuring the lien hereof; (iv) this Mortgage is and will remain a valid and enforceable first lien on the Mortgaged Property except for permitted liens as shown on the Mortgagee's title insurance policy insuring the lien hereof; and (v) it will preserve such title, and will forever warrant and defend the same to the Mortgagee and will forever warrant and defend the validity and priority of the lien hereof against the claims of all persons and parties whomsoever except for permitted liens as shown on the Mortgagee's title insurance policy insuring the lien hereof.

Section 1.03. Maintenance of the Mortgaged Property. The Mortgagor shall maintain the Mortgaged Property in good repair and shall comply with the requirements of any governmental authority claiming jurisdiction over the Mortgaged Property, the violation of which would materially adversely affect the Mortgagor or the Mortgaged Property, or subject the Mortgagor, the Mortgagee or the Mortgaged Property to criminal penalties, material fines, liens or forfeiture, within thirty (30) days after an order containing such requirement has been issued by any such authority, provided that such thirty (30) day period may be extended for such additional period of time as is reasonably necessary or may be permitted under such order to so comply on the condition that Mortgagor commences such compliance

within such thirty (30) day period and diligently prosecutes such compliance, but in any event Mortgagor shall comply with such order not later than the earliest of: (a) one hundred eighty days after such order has been issued, (b) the last date permitted for such compliance under such order, or (c) such time as Mortgagee, in its sole discretion, notifies Mortgagor in writing that the Mortgaged Property or Mortgagee's security therein is in jeopardy of being forfeited, foreclosed or otherwise adversely affected. The Mortgagor shall permit the Mortgagee to enter upon the Premises and inspect the Mortgaged Property at all reasonable hours and without prior notice, provided that such inspection shall not interfere with Mortgagor's business operations. The Mortgagor shall not, without the prior written consent of the Mortgagee, threaten, commit, permit or suffer to occur any waste, material alteration, demolition or removal of the Mortgaged Property or any part thereof; provided, however, that Fixtures may be removed from the Premises if the Mortgagor concurrently therewith replaces same with similar items of equal or greater value, free of any lien, charge or claim of superior title.

Section 1.04 <u>Insurance Restoration</u>. The Mortgagor hereby agrees that:

(a) The Mortgagor shall keep the buildings and improvements now or hereafter located within the Premises insured against damage by fire and the other hazards covered by a standard extended coverage insurance policy for the full insurable value thereof (which, unless the Mortgagee shall otherwise agree in writing, shall mean the full repair and replacement value thereof without reduction for depreciation or co-insurance), but in no event less than the Mortgaged Property's Applicable Percentage (as defined in the Loan Agreement) of the sum of the then outstanding Basic Loan Amount and the outstanding Interest Reserve Fundings (as defined in the Loan Agreement). In addition, the Mortgagee may require the Mortgagor to carry such other insurance on the buildings and improvements now or hereafter located within the Premises, in such amounts as may from time to time be reasonably required by institutional lenders, against insurable casualties (including risks of war and nuclear explosion) which at the time are commonly insured against in the case of premises similarly situated, due regard being given to the site and the type of the building, the construction, location, utilities and occupancy or any replacements or substitutions therefor; with respect to any portions of the Premises or improvements thereon which do not

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conform to all laws and regulations regarding such improvements, the Mortgagor shall provide a "contingent operation of building laws" endorsement to such policy or policies; the Mortgagor shall additionally keep the buildings, improvements and Fixtures located therein and thereon now or hereafter located on the Premises insured against loss by flood if the Premises are located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968 (and any successor act thereto) in an amount at least equal to the Mortgaged Property's Applicable Percentage (as defined in the Loan Agreement) of the sum of the then outstanding Basic Loan Amount and the outstanding Interest Reserve Fundings (as defined in the Loan Agreement) or the maximum limit of coverage available with respect to the buildings under said Act, whichever is less and will assign and deliver the policy or policies of such insurance to the Mortgagee, which policy or policies, shall have endorsed thereon a standard mortgagee clause in the name of the Mortgagee, so and in such manner and form that the Mortgagee and its successors and assigns shall at all times have and hold the said policy or policies as collateral and further security for any change in the use, operation or value of the Premises, or in the availability of insurance in the area in which the Premises are located, the Mortgagor shall, within five (5) days after demand by the Mortgagee, take out such additional amounts and/or such other kinds of insurance as the Mortgagee may reasonably require. Otherwise, the Mortgagor shall not take out any separate or additional insurance which is contributing in the event of loss unless it is properly endorsed and otherwise satisfactory to the Mortgagee in all respects. The proceeds of insurance paid on account of any damage or destruction to the Premises or any part thereof shall be paid over to the Mortgagee to be applied as hereinafter provided.

(b) Provided that: (A) no Event of Default hereunder or any event which, with the passage of time or the giving of notice would constitute an Event of Default or both, shall have occurred and remains uncured, and (B) the insurance proceeds received pursuant to this Section 1.04, together with such additional funds of Mortgagor deposited by Mortgagor with Mortgagee (or assurances reasonably satisfactory to Mortgagee that such funds are available) are sufficient to restore the Premises to an architectural and economic

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unit of the same character and not less valuable than the Premises immediately prior to such damage or destruction, insurance proceeds received pursuant to this Section 1.04 shall be used for the restoration of the Premises, otherwise, Mortgagee may, at its option, apply any such insurance proceeds to the payment of the Indebtedness. In the event that the terms hereof allow the use of such proceeds for the restoration of the Premises, then such use of the proceeds shall be governed as hereinafter provided.

(c) In the event of damage or destruction to the Premises, the Mortgagor shall give prompt written notice thereof to the Mortgagee and shall promptly commence and diligently continue to perform repair, restoration and rebuilding of the Premises so damaged or destroyed (hereinafter referred to as the "work") to restore the Premises in full compliance with all legal requirements and so that the Premises shall be at least equal in value and general utility as they were prior to the damage or destruction, and if the work to be done is structural or if the cost of the work as estimated by the Mortgagee shall exceed Two Hundred Fifty Thousand Dollars ($250,000) (hereinafter referred to as "major work"), then the Mortgagor shall, prior to the commencement of the work, furnish to the Mortgagee: (1) complete plans and specifications for the work (approved by all governmental authorities whose approval is required), for the Mortgagee's approval, which approval shall not be unreasonably withheld. Said plans and specifications shall bear the signed approval thereof by an architect reasonably satisfactory to the Mortgagee (hereinafter referred to as the "Architect") and shall be accompanied by the Architect's signed estimate, bearing the Architect's seal, of the entire cost of completing the work; (2) certified or photostatic copies of all permits and approvals required by law in connection with the commencement and conduct of the work; and (3) a surety bond for and/or guaranty of the payment for and completion of, the work, which bond or guaranty shall be in form satisfactory to the Mortgagee and shall be signed by a surety or sureties or guarantor or guarantors, as the case may be, who are acceptable to the Mortgagee, and in an amount not less than the Architect's estimate of the entire cost of completing the work, less the amount of insurance proceeds, if any, then held by the Mortgagee for application toward the cost of the work.

(d) The Mortgagor shall not commence any of the work until the Mortgagor shall have complied with the

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applicable requirements referred to in subparagraph (c) above, and after commencing the work the Mortgagor shall perform the work diligently and in good faith in accordance with the plans and specifications referred to in subparagraph (c)(1) above, if applicable.

(e) All insurance proceeds recovered by the Mortgagee on account of damage or destruction to the Premises less the cost, if any, to the Mortgagee of such recovery and of paying out such proceeds (including attorneys' fees and costs allocable to inspecting the work and the plans and specifications therefor), shall, upon the written request of the Mortgagor, be applied by the Mortgagee to the payment of the cost of the work referred to in subparagraph (c) above and shall be paid out from time to time to the Mortgagor and/or, at the Mortgagee's option exercised from time to time, directly to the contractor, subcontractors, materialmen, laborers, engineers, architects and other persons rendering services or materials for the work, as said work progresses except as otherwise hereinafter provided, but subject to the following conditions, any of which the Mortgagee may waive:

1. If the work to be done is structural or if it is major work, as determined by the Mortgagee, the Architect shall be in charge of the work;

2. Each request for payment shall be made on seven (7) days' prior notice to the Mortgagee and shall be accompanied by a certificate of the Architect if one be required under subparagraph (c) above, otherwise by an executive or fiscal officer of the Mortgagor, stating (i) that all of the work completed has been done in compliance with the approved plans and specifications, if any be required, under said subparagraph (c), and in accordance with all provisions of law; (ii) the sum requested is justly required to reimburse the Mortgagor for payments by the Mortgagor 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, if any, previously paid out by the Mortgagee does not exceed the value of the work done to the date of such certificate; and (iii) that the amount of such proceeds remaining in the hands of the Mortgagee will be sufficient on completion of the

work to pay for the same in full (giving in such reasonable detail as the Mortgagee may reasonably require an estimate of the cost of such completion);

3. Each request shall be accompanied by waivers of liens satisfactory to the Mortgagee covering that part of the work previously paid for, if any, and by a search prepared by a title company or licensed abstracter or by other evidence satisfactory to the Mortgagee, that there has not been filed with respect to the Premises any mechanic's lien or other lien or instrument for the retention of title in respect of any part of the work not discharged of record and that there exist no encumbrances on or affecting the Premises other than encumbrances, if any, which are set forth in the title policy issued to the Mortgagee insuring the lien of this Mortgage;

4. Neither the Reciprocal Agreement nor any ground lease affecting the Premises immediately prior to the damage or destruction shall have been cancelled, nor contain any still exercisable right to cancel, due to such damage or destruction;

5. There shall be no uncured default on the part of the Mortgagor under this Mortgage or the Note or any other instrument securing the same, provided that a default by Mortgagor with respect to another Security Parcel (as defined in the Loan Agreement) for which Mortgagor has effected a Release pursuant to the Loan Agreement shall not constitute a default hereunder for purposes of this clause 5; and

6. The request for any payment after the work has been completed shall be accompanied by a copy of any certificate or certificates required by law to render occupancy of the Premises legal.

Upon completion of the work and payment in full therefor, or upon failure on the part of the Mortgagor promptly to commence or diligently to continue the work, or at any time upon request by the Mortgagor, the Mortgagee may apply the amount of any such proceeds then or thereafter in the hands of the Mortgagee to the payment of the Indebtedness, provided, however, that nothing herein contained shall prevent the Mortgagee from applying at any time the whole or any part of such proceeds

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to the curing of any default under this Mortgage or the Note.

(f) In the event the work to be done is not structural or it is not major work as determined by the Mortgagee, then the net insurance proceeds held by the Mortgagee for application thereto shall be paid to the Mortgagor by the Mortgagee upon completion of the work, subject to the provisions of the foregoing subparagraphs (c), (d) and (e) except those which are applicable only if the work to be done is structural or if it major work as determined by the Mortgagee.

(g) If within one hundred twenty (120) days after the occurrence of any damage or destruction to the Premises requiring structural work or major work in order to restore the Premises, the Mortgagor shall not have submitted to the Mortgagee and received the Mortgagee's approval of plans and specifications for the repair, restoration and rebuilding of the Premises so damaged or destroyed (approved by the Architect and by all governmental authorities whose approval is required), or if, after such plans and specifications are approved by all such governmental authorities and the Mortgagee, the Mortgagor shall fail to commence promptly such repair, restoration and rebuilding, or if thereafter the Mortgagor fails diligently to continue such repair, restoration and rebuilding or is delinquent in the payment to mechanics, materialmen or others of the costs incurred in connection with such work, or, in the case of any damage or destruction requiring neither structural work nor major work, as determined by the Mortgagee in order to restore the Premises, if the Mortgagor shall fail to diligently pursue such repair, restore and rebuild promptly the Premises so damaged or destroyed then, in addition to all other rights herein set forth, and after giving the Mortgagor fifteen (15) days' written notice of the nonfulfillment of one or more of the foregoing conditions, the Mortgagee, or any lawfully appointed receiver of the Premises, may at their respective options, upon forty-eight (48) hours' prior notice perform or cause to be performed such repair, restoration and rebuilding, and may take such other steps as they deem advisable to perform such repair, restoration and rebuilding, and the Mortgagor hereby waives, for the Mortgagor and all others holding under the Mortgagor, any claim against the Mortgagee and such receiver arising out of anything done by the Mortgagee or such receiver pursuant hereto, and the Mortgagee may apply insurance proceeds (without the need to

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fulfill any other requirements of this Section 1.04) to reimburse the Mortgagee, and/or such receiver, for all amounts expended or incurred by them, respectively, in connection with the performance of such work, and any excess costs shall be paid by the Mortgagor to the Mortgagee upon demand.

(h) The Mortgagor shall (i) provide public liability insurance with respect to the Premises providing for limits of liability of not less than $5,000,000 for both injury to or death of a person and for property damage, and (ii) provide rent insurance or business interruption insurance in an amount at least equal at all times to the twelve months' anticipated gross rental income or twelve months' gross business earnings of the Premises, whichever is applicable.

(i) All insurance policies required pursuant to this Section 1.04 shall be endorsed to name the Mortgagee as an insured thereunder, as its interest may appear, with loss payable to the Mortgagee, without contribution, under a standard mortgagee clause. All such insurance policies and endorsements shall 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 where the Premises are located, with a rating of "A-VI" 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 approved by the Mortgagee. Without limiting the foregoing, each policy shall provide that such policy may not be cancelled or materially changed except upon thirty (30) days' prior written notice of intention of non-renewal, cancellation or material change to the Mortgagee and that no act or thing done by the Mortgagor shall invalidate the policy as against the Mortgagee. In the event the Mortgagor fails to maintain insurance in compliance with this Section 1.04, the Mortgagee may, but shall not be obligated to, obtain such insurance and pay the premium therefor and the Mortgagor shall, on demand, reimburse the Mortgagee for all sums, advances and expenses incurred in connection therewith. The Mortgagor shall deliver copies of all original policies, certified by the insurance company or authorized agent as being true copies to the Mortgagee together with the endorsements thereto required hereunder. Notwithstanding anything to the contrary contained herein or any provision of applicable law of the state in which the Premises are located, the proceeds of insurance policies coming into

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the possession on the Mortgagee shall not be deemed trust funds and the Mortgagee shall be entitled to dispose of such proceeds as herein provided.

Section 1.05. Maintenance of Existence. The Mortgagor will, so long as it is owner of the Mortgaged Property, do all things necessary to preserve and keep in full force and effect its corporate existence, and will comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental authority or court applicable to the Mortgagor or to the Mortgaged Property or any part thereof, the violation of which would materially adversely affect the Mortgagor or the Mortgaged Property or subject the Mortgagor, the Mortgagee or the Mortgaged Property to criminal penalties, liens, material fines or forfeiture.

Section 1.06. Taxes and Other Charges. The Mortgagor hereby agrees that:

(a) The Mortgagor shall pay and discharge when due all taxes of every kind and nature, water rates, sewer rents and assessments, review, permits, inspection and license fees and all other charges imposed upon or assessed against the Mortgaged Property or any part thereof or upon the revenues, rents, issues, income and profits of the Premises or arising in respect of the occupancy, uses or possession thereof and, unless the Mortgagor is making monthly deposits with the Mortgagee in accordance with Section 1.14 hereof, the Mortgagor shall exhibit to the Mortgagee within thirty (30) days after the same shall have become due, validated receipts showing the payment of such taxes, assessments, water rates, sewer rents, levies, fees and other charges which may be or become a prior lien on the Mortgaged Property. Should the Mortgagor default in the payment of any of the foregoing taxes, assessments, water rates, sewer rents, or other charges, the Mortgagee may, but shall not be obligated to, pay the same or any part thereof and the Mortgagor shall, on demand, reimburse the Mortgagee for all amounts so paid.

(b) Nothing in this Section 1.06 shall require the payment or discharge of any obligation imposed upon the Mortgagor by subparagraph (a) of this Section 1.06 so long as the Mortgagor shall in good faith and at its own expense contest the same or the validity thereof by appropriate legal proceedings which proceedings must operate to prevent the collection thereof or other realization thereon and the sale or forfeiture of the

Mortgaged Property or any part thereof to satisfy the same; provided that during such contest the Mortgagor shall, at the option of the Mortgagee, provide security reasonably satisfactory to the Mortgagee, assuring the discharge of the Mortgagor's obligation hereunder and of any additional interest charge, penalty or expense arising from or incurred as a result of such contest; and provided, further, that if at any time payment of any obligation imposed upon the Mortgagor by subsection (a) of this Section 1.06 shall become necessary to prevent the delivery of a tax deed conveying the Mortgaged Property or any portion thereof because of non-payment, then Mortgagor shall pay the same in sufficient time to prevent the delivery of such tax deed.

Section 1.07. Mechanics' and Other Liens. Subject to the Mortgagor's right to contest the same as provided in the Loan Agreement, the Mortgagor shall pay, from time to time when the same shall become due, all lawful 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 part thereof, or on the revenues, rents, issues, income or profits arising therefrom and, in general, the Mortgagor shall do, or cause to be done, at the cost of the Mortgagor and without expense to the Mortgagee, everything necessary to fully preserve the lien of this Mortgage. In the event the Mortgagor fails to make payment of such claims and demands, the Mortgagee may, but shall not be obligated to, make payment thereof, and the Mortgagor shall, on demand, reimburse the Mortgagee for all sums so expended.

Section 1.08. Condemnation Awards. The Mortgagor, immediately upon obtaining knowledge of the institution of any proceedings for the condemnation of the Premises or any portion thereof, will notify the Mortgagee of the pendency of such proceedings. The Mortgagee may participate in any such proceedings and the Mortgagor from time to time will deliver to the Mortgagee all instruments reasonably requested by it to permit such participation. All awards and compensation or other taking or purchase in lieu thereof, of the Premises or any part thereof, are hereby assigned to and shall be paid to the Mortgagee. The Mortgagor hereby authorizes the Mortgagee to collect and receive such awards and compensation, to give proper receipts and acquittances therefor and in the Mortgagee's sole discretion to apply the same toward the payment of the Indebtedness, notwithstanding the fact that the Indebtedness may not then be due and payable, or to the restoration of the Premises. In the event that any portion of the condemnation awards or compensation

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shall be used to reduce the Indebtedness, same shall be applied to the then unpaid installments of principal due under the Note in the inverse order of their maturity, such that the regular payments under the Note shall not be reduced or altered in any manner. The Mortgagor, upon reasonable request by the Mortgagee, shall make, execute and deliver any and all instruments requested for the purpose of confirming the assignment of the aforesaid awards and compensation to the Mortgagee free and clear of any liens, charges or encumbrances of any kind or nature whatsoever. The Mortgagee shall not be limited to the interest paid on the proceeds of any award or compensation, but shall be entitled to the payment by the Mortgagor of interest at the applicable rate provided for herein or in the Note. To the extent that the Reciprocal Agreement requires that condemnation proceeds be applied toward the restoration of the Premises, such proceeds, together with such additional funds of Mortgagor deposited with Mortgagee (or assurances reasonably satisfactory to Mortgagee that such funds are available) as are sufficient to restore the Premises to an architectural and economic unit of the same character and not less valuable than the Premises immediately prior to such condemnation, shall be disbursed in the manner provided in Section 1.04 hereof for the disbursement of insurance proceeds.

Section 1.09. Mortgage Authorized. The Mortgagor hereby warrants and represents that the execution and delivery of this Mortgage and the Note has been duly authorized and that there is no provision in its certificate of incorporation or by-laws, as the same may have been amended, requiring further consent for such action by any other entity or person; it is duly organized, validly existing and in good standing under the laws of the state of its incorporation or formation, as the case may be, and has (a) all necessary licenses, authorizations, registrations and approvals (herein called "Permits") except for which the failure of Mortgagor to have the same in effect would not materially adversely affect the Mortgagor or the Mortgagee Property or subject the Mortgagor, the Mortgagee or the Mortgaged Property to criminal penalties, liens, material fines or forfeiture, and (b) full power and authority to own its properties and carry on its business as presently conducted; and the execution and delivery by and performance of its obligations under this Mortgage and the Note will not result in the Mortgagor being in default under any provision of its certificate of incorporation or by-laws, as the same may have been amended, or of any mortgage, credit or other agreement to which it is a party.

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Section 1.10. Costs of Defending and Upholding the Lien. If any action or proceeding is commenced to which action or proceeding the Mortgagee and/or General Electric Capital Corporation (herein called "GECC") is made a party or in which it becomes necessary to defend or uphold the lien of this Mortgage, the Mortgagor shall, on demand, reimburse the Mortgagee and GECC for all expenses (including, without limitation, reasonable attorneys' fees and expenses and appellate attorneys' fees and expenses) incurred by the Mortgagee and GECC in any such action or proceeding; except that in case of a suit initiated by Mortgagor, GECC or Mortgagee, if Mortgagor shall prevail, Mortgagee and GECC shall bear their own attorney's fees and expenses. In any action or proceeding to foreclose this Mortgage or to recover or collect the Indebtedness, the provisions of law relating to the recovering of costs, disbursements and allowances shall prevail unaffected by this covenant.

Section 1.11. Additional Advances and Disbursements. Subject to any contrary provisions contained in the Loan Agreement with respect to any Parcel Subordinate Debt (as defined in the Loan Agreement) or Parcel Subordinate Lien (as defined in the Loan Agreement) and subject to Mortgagor's right to contest the same in the same manner as set forth in Section 1.06(b) hereof, the Mortgagor shall pay when due prior to the expiration of any applicable period of grace all payments and charges on all liens, encumbrances, ground and other leases, and security interests which may be or become superior to the lien of this Mortgage, and in default thereof, the Mortgagee shall have the right, but shall not be obligated, to pay, without notice to the Mortgagor, such payments and charges and the Mortgagor shall, within ten (10) days after written demand, reimburse the Mortgagee for amounts so paid. In addition, upon default of the Mortgagor in the performance of any other terms, covenants, conditions or obligations by it to be performed prior to the expiration of any applicable period of grace under any such prior lien, encumbrance, lease or security interest, the Mortgagee shall have the right, but shall not be obligated, to cure such default in the name and on behalf of the Mortgagor. All sums advanced and reasonable expenses incurred at any time by the Mortgagee pursuant to this Section 1.11 or as otherwise provided under the terms and provisions of this Mortgage or under applicable law shall bear interest from the date that such sum is advanced or expense incurred, to and including the date of reimbursement, computed at the Default Rate provided for in the Note.

Section 1.12. Costs of Enforcement. The Mortgagor agrees to bear and pay all expenses (including reasonable attorneys' fees and appellate attorneys' fees) of or incidental to the enforcement of any provision hereof, or the enforcement, compromise or settlement of this Mortgage or the Indebtedness, and for the curing thereof, or for defending or asserting the rights and claims of the Mortgagee in respect thereof, by litigation or otherwise. All rights and remedies of the Mortgagee shall be cumulative and may be exercised singly or concurrently. Notwithstanding anything herein contained to the contrary, the Mortgagor: (a) will not (i) at any time insist upon, or plead, or in any manner whatsoever claim or take any benefit or advantage of any stay or extension or moratorium law, any exemption from execution or sale of the Mortgaged Property or any part thereof, wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Mortgage, nor (ii) claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of the Mortgaged Property, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision herein, or pursuant to the decree, judgment or order of any court of competent jurisdiction, nor (iii) after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted to redeem the property so sold or any part thereof; (b) hereby expressly waives all benefit or advantage of any such law or laws, and (c) covenants not to hinder, delay or impede the execution of any power herein granted or delegated to the Mortgagee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. The Mortgagor, for itself and all who may claim under it, waives, to the extent that it lawfully may, all right to have the Mortgaged Property marshalled upon any foreclosure hereof.

Section 1.13. Mortgage Taxes. The Mortgagor shall pay any and all taxes, charges, filing, registration and recording fees, excises and levies imposed upon the Mortgagee by reason of its ownership of the Note or this Mortgage or any mortgage supplemental hereto, any security instrument with respect to any fixtures or personal property owned by the Mortgagor at the Premises and any instrument of further assurance, other than income, franchise and doing business taxes, and shall pay all stamp taxes and other taxes required to be paid on the Note. In the event the Mortgagor fails to make such payment within ten (10) days after written notice thereof from the Mortgagee, then the Mortgagee shall have the right, but shall not be obligated, to pay the amount due, and the Mortgagor shall, on demand, reimburse the Mortgagee for said amount.

Section 1.14. Escrow Deposits. From and during the occurrence of an Event of Default and continuing after any default by Mortgagor to pay as and when due the amounts required to be paid under this Section 1.14, the Mortgagee, at its option, may require that the Mortgagor deposit with the Mortgagee, monthly, one-twelfth (1/12th) of the annual charges for ground or other rent, if any, insurance premiums and real estate taxes, assessments, water, sewer and other charges which might become a lien upon the Mortgaged Property and the Mortgagor shall, accordingly, make such deposits. In addition, if required by the Mortgagee, the Mortgagor shall simultaneously therewith deposit with the Mortgagee a sum of money which together with the monthly installments aforementioned will be sufficient to make each of the payments aforementioned at least thirty (30) days prior to the date such payments are due. Should said charges not be ascertainable at the time any deposit is required to be made with the Mortgagee, the deposit shall be made on the basis of the charges for the prior year, and when the charges are fixed for the then current year, the Mortgagor shall deposit any deficiency with the Mortgagee. All funds so deposited with the Mortgagee shall be held by it without interest, may be commingled by the Mortgagee with its general funds and, provided that no Event of Default shall have occurred, shall be applied in payment of the charges aforementioned when and as payable, to the extent the Mortgagee shall have such funds on hand. Should an Event of Default occur, the funds deposited with the Mortgagee, as aforementioned, may 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 security of the Mortgagee, as the Mortgagee sees fit, but no such application shall be deemed to have been made by operation of law or otherwise until actually made by the Mortgagee as herein provided. If deposits are being made with the Mortgagee, the Mortgagor shall furnish the Mortgagee with bills for the charges for which such deposits are required to be made hereunder and/or such other documents necessary for the payment of same, at least fifteen (15) days prior to the date on which the charges first become payable and the Mortgagee shall, to the extent that sufficient funds have been deposited with Mortgagee pursuant to this Section 1.14, make such sums available to Mortgagor for the purpose of paying such charges. If permitted by applicable law, Mortgagor may pay such charges upon an installment basis. In the event the Mortgagor fails to pay any such amount, the Mortgagee may, but shall not be obligated to, make payment thereof, and the Mortgagor shall, on demand, reimburse the Mortgagee for all sums so expended.

Section 1.15. Late Charges. Late charges shall be paid as provided for in the Note.

Section 1.16. Financial Statements. The Mortgagor shall furnish the Mortgagee with financial and other statements as provided for in the Loan Agreement.

Section 1.17. Restrictive Covenants. Without the prior written consent of the Mortgagee, except as permitted pursuant to the Loan Agreement, the Mortgagor shall not: (a) execute or permit to exist any lease of the Premises without the prior written approval of Mortgagee (which approval shall not unreasonably be withheld or refused); (b) modify any lease affecting the Premises without the prior written approval of Mortgagee (which approval shall not unreasonably be withheld or refused); (c) discount any rents of the Premises or collect the same for a period of more than one month in advance; (d) cancel any lease affecting the premises except upon the default of the tenant thereunder; (e) execute any conditional bill of sale, chattel mortgage or other security instruments covering any Fixtures intended to be incorporated in the Premises or the appurtenances thereto, or purchase any of such Fixtures, so that ownership of the same will not vest unconditionally in the Mortgagor, free from encumbrances on delivery to the Premises; (f) further assign the leases and rents affecting the Premises; (g) sell, transfer, convey or assign any interest in the Mortgaged Property or any part thereof or the beneficial interest in Mortgagor or any part thereof; or (h) further encumber, alienate, hypothecate, grant a security interest in or grant any other interest whatsoever in the Mortgaged Property or any part thereof.

Section 1.18. Estoppel Certificates. The Mortgagor within ten (10) days upon request in person or within twenty (20) days upon request by mail, shall furnish to the Mortgagee a written statement, duly acknowledged, confirming the amount due on this Mortgage (as calculated by the Mortgagee), the terms of payment and maturity date of the Note, the date to which interest has been paid, whether any offsets or defenses exist against the Indebtedness and, if any are alleged to exist, the nature thereof shall be set forth in detail.

Section 1.19. Assignment of Rents. The Mortgagor hereby assigns to the Mortgagee, as further security for the payment of the Indebtedness, the rents, issues and profits of the Premises, together with all leases and other documents evidencing such rents, issues and profits now or hereafter in effect and any and all deposits held as security

under said leases, and shall, upon demand, deliver to the Mortgagee an executed counterpart of each such lease or other document. Nothing contained in the foregoing sentence shall be construed to bind the Mortgagee to the performance of any of the covenants, conditions or provisions contained in any such lease or other document or otherwise to impose any obligation on the Mortgagee (including, without limitation, any liability under the covenant of quiet enjoyment contained in any lease or in any law of any applicable state in the event that any tenant shall have been joined as a party defendant in any action to foreclose this Mortgage and shall have been barred and foreclosed thereby of all right, title and interest and equity of redemption in the Premises), except that the Mortgagee shall be accountable for any money actually received pursuant to such assignment. The Mortgagor hereby further grants to the Mortgagee the right (i) to enter upon and take possession of the Premises for the purpose of collecting the said rents, issues and profits, (ii) to dispossess by the usual summary proceedings any tenant defaulting in the payment thereof to the Mortgagee, (iii) to let the Premises, or any part thereof, and (iv) to apply said rents, issues and profits, after payment of all necessary charges and expenses, on account of said Indebtedness. Such assignment and grant shall continue in effect until the Indebtedness is paid, the execution of this Mortgage constituting and evidencing the irrevocable consent of the Mortgagor to the entry upon and taking possession of the Premises by the Mortgagee pursuant to such grant, whether foreclosure has been instituted or not and without applying for a receiver. Until the occurrence of an Event of Default the Mortgagor shall be entitled to collect and receive said rents, issues and profits. The Mortgagor agrees to use said rents, issues and profits in payment of principal and interest becoming due on this Mortgage and in payment of taxes, assessments, water rates, sewer rents and carrying charges becoming due against the Premises. Such right of the Mortgagor to collect and receive said rents, issues and profits may be revoked by the Mortgagee upon the occurrence of an Event of Default by giving written notice of such revocation, served personally upon or sent by registered or certified mail to the record owner of the Premises.

Section 1.20. Intentionally Deleted.

Section 1.21. Indemnity. The Mortgagor will indemnify and hold the Mortgagee harmless against any loss or liability, cost or expense, including, without limitation, any judgments, reasonable attorney's fees, costs of appeal bonds and printing costs, arising out of or relating to any proceeding instituted by any claimant alleging, with

respect to this Loan (as defined in the Loan Agreement), a violation by the Mortgagor, the Premises, the Mortgagee, or GECC (except for the gross negligence of Mortgagee or GECC, and except for any violation of securities or other laws relating to the Liquidity Agreement (as defined in the Loan Agreement) and/or the issuance of commercial paper by Mortgagee unless caused by Mortgagor and/or the Premises) of any laws of the state in which the Premises are located.

ARTICLE II

Default and Remedies

Section 2.01. Events of Default. The following shall constitute Events of Default under this Mortgage:

(a) If Mortgagor defaults in making due and punctual payment of the Note or any installment thereof, either principal or interest, or any mandatory prepayments, if and when the same becomes due and payable, and such default continues after the expiration of any period of grace provided for in the Note;

(b) If Mortgagor defaults in making the prepayment required pursuant to Section 6.11 of the Loan Agreement and such default shall remain uncured for a period of thirty days after such Mandatory Prepayment (as defined in the Loan Agreement) shall be come due and payable;

(c) If Mortgagor shall suffer or permit to exist any Event of Default under any lien prior to the lien of the Security Documents (as defined in the Loan Agreement) which would permit the holder thereof to foreclose or otherwise enforce or realize upon such prior lien;

(d) If Mortgagor defaults in making due and punctual payment of any other payment or amount required hereby or by the Security Documents to be paid by Mortgagor, and such default continues after the expiration of any period of grace provided therefor;

(e) If Mortgagor shall default in or violate any of the covenants and agreement contained in Section 6.6 of the Loan Agreement, without notice or grace;

(f) Intentionally deleted;

(g) If Mortgagor shall fail to keep the respective Security Parcels (as defined in the Loan Agreement)

subject to the lien of the Security Documents insured as provided in the Security Documents;

(h) If there shall occur any event or condition which alone or with the passage of time or the giving of notice, or both, would constitute a default under any Ground Lease (as defined in the Loan Agreement) creating a Leasehold Security Parcel (as defined in the Loan Agreement) subject to the lien of the Security Documents, or which would afford the lessor under any such Ground Lease the right to terminate the same; provided that if Mortgagor shall cure such event or condition (and thereby cure any default occasioned thereby) before such lessor acts to attempt to terminate such Ground Lease on account thereof then no Event of Default hereunder shall be deemed to have occurred on account thereof;

(i) If any material representation or warranty made by Mortgagor herein or in any instrument delivered pursuant hereto shall prove to be untrue in any material respect;

(j) If Mortgagor defaults in the performance and observance of any other of the terms, provisions, conditions and agreements on Mortgagor's part to be performed and observed pursuant to any of the Security Documents other than this Mortgage and such default continues after the expiration of any period of grace provided therefor in the Security Documents;

(k) If Mortgagor defaults in the performance or observance of any other of the terms, provisions, conditions and agreement on Mortgagor's part to be performed and observed pursuant hereto and such default shall remain uncured for a period of 30 days after Mortgagee shall have given notice thereof to Mortgagor; provided that if such default is not susceptible of cure within such 30 day period, such 30 day period shall be extended to the extent necessary to permit such cure if, but only if:

(i) Mortgagor shall commence such cure within such 30 day period and shall thereafter prosecute such cure to completion, diligently and without delay; and

(ii) No Security Parcel subject to the lien of the Security Documents nor such lien shall be

threatened by or subject to any foreclosure or forfeiture, subordination or other adverse consequence on account of such default; or

(l) If any one or more of the following events shall at any time occur:

(i) Mortgagor shall file a petition in bankruptcy or for relief under the Bankruptcy Code or the United States or any chapter thereof or under any similar law, state or federal, now or hereafter in effect (herein generally called the "Bankruptcy Laws");

(ii) Mortgagor shall file an answer in any proceeding or execute any writing admitting insolvency or inability to pay its debts;

(iii) There shall have been filed against Mortgagor any involuntary proceedings under any Bankruptcy Law and such proceedings shall not have been vacated or stayed within 90 days after such filing;

(iv) Mortgagor shall be adjudicated a bankrupt or a trustee or receiver shall be appointed for the Mortgagor or for all or a major part of Mortgagor's property or any Security Parcel subject to the lien of the Security Documents, or Mortgagor shall be appointed debtor in possession, in any involuntary proceeding under any Bankruptcy Law, or if any court shall have taken jurisdiction of all or a major part of Mortgagor's property or any Security Parcel subject to the lien of the Security Documents in any involuntary proceeding under any Bankruptcy Law for the protection, reorganization, dissolution, liquidation or winding up of Mortgagor and such trustee or receiver (or Mortgagor as debtor in possession) shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within 90 days;

(v) Mortgagor shall make an assignment for the benefit of creditors generally, or shall consent to the appointment of a receiver, trustee or liquidator of all or a major portion of its property or any Security Parcel subject to the lien of the Security Documents; or

(vi) If any final judgment shall be entered against Mortgagor in any court and the same shall remain unsatisfied for a period of 60 days unless enforcement thereof shall be stayed;

provided that if in the reasonable judgment of Mortgagee any of the events described in Subsections (c), (d), (e), (f), (g), (h), (i), (j) an (k) above (herein called "Special Events") relate solely to one or more Security Parcels (herein called "Defaulting Parcels") subject to the lien of the Security Documents (and would not, alone or with the passage of time or giving of notice, or both, constitute an Event of Default were such Defaulting Parcel or Parcels not subject to the lien of the Security Documents) then if within 30 days Mortgagor shall make prepayment of the Loan and otherwise satisfy all of the requirements hereof entitling Mortgagor to the release of such Defaulting Parcel or Parcels from the lien of the Security Documents, or shall provide a Substitute Parcel or Parcels in lieu of such Defaulting Parcels, all as provided for in ARTICLE IX of the Loan Agreement, then upon receipt by Mortgagee of such prepayment or Substitute Parcel or Parcels (as defined in the Loan Agreement) subject to the lien of the Security Documents and payment of all reasonable fees and expenses incurred by Mortgagee in connection with such Special Event, prepayment and/or substitution, such Special Events shall be deemed cured and shall not (alone or with the passage of time or the giving of notice, or both) constitute Events of Default; and provided further that no prepayment premium (other than reasonable expenses connected with Related CREST Commercial Paper (as defined in the Loan Agreement)) shall be payable with respect to the initial five Security Parcels as to which prepayment is made as aforesaid.

Section 2.02. Remedies. The Mortgagor hereby agrees that subject to the right of Mortgagee to effect a release of the Mortgaged Property pursuant to Section 7.1 of the Loan Agreement:

(a) Upon the occurrence of any Event of Default, the Mortgagee may (subject to the limitation as to timing as is provided for in the proviso to Section 13 of the Note with respect to certain Events of Default therein set forth) take such action, without notice or demand, as it deems advisable to protect and enforce its rights against the Mortgagor and in and to the Mortgaged Property, including, but not limited to, the following actions, each of which may be pursued concurrently or

otherwise, at such time and in such order as the Mortgagee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of the Mortgagee: (1) declare the entire unpaid Indebtedness to be immediately due and payable; or (2) enter into or upon the Premises, either personally or by its agents, nominees or attorneys and dispossess the Mortgagor and its agents and servants therefrom, and thereupon the Mortgagee may (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Premises and conduct the business thereat; (ii) complete any construction on the Premises in such manner and form as the Mortgagee deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Mortgaged Property; (iv) exercise all rights and powers of the Mortgagor with respect to the Premises, whether in the name of the Mortgagor or otherwise, including, without limitation, the right to make, cancel, enforce or modify leases, obtain and evict tenants, and demand, sue for, collect and receive all earnings, revenues, rents, issues, profits and other income of the Premises and every part thereof; and (v) apply the receipts from the Premises to the payment of the Indebtedness, after deducting therefrom all expenses (including reasonable attorneys' fees) incurred in connection with the aforesaid operations and all amounts necessary to pay the taxes, assessments, insurance and other charges in connection with the Mortgaged Property, as well as just and reasonable compensation for the services of the Mortgagee, its counsel, agents and employees; or (3) institute proceedings for the complete foreclosure of this Mortgage in which the Mortgaged Property may be sold for cash or upon credit in one or more parcels; or (4) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, 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; or (5) sell for cash or upon credit the Mortgaged Property or any part thereof and all estate, claim, demand, right, title and interest of the Mortgagor therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entity or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law, and in the event of a sale, by foreclosure or otherwise, of less than all of the Mortgaged Property, this Mortgage shall continue as a lien

on the remaining portion of the Mortgaged Property; or (6) institute an action, suit or proceedings in equity for the specific performance of any covenant, condition or agreement contained herein or in the Note; or (7) recover judgment on the Note either before, during or after any proceedings for the enforcement of this Mortgage; or (8) apply for the appointment of a trustee, receiver, liquidator or conservator of the Mortgaged Property, without regard for the adequacy of the security for the Indebtedness and without regard for the solvency of the Mortgagor, any Guarantor or of any person, firm or other entity liable for the payment of the Indebtedness; or (9) pursue such other remedies as the Mortgagee may have under applicable law.

(b) The purchase money proceeds or avails of any sale made under or by virtue of this Article II, together with any other sums which then may be held by the Mortgagee under this Mortgage, whether under the provisions of this Article II or otherwise, shall be applied as follows:

First: To the payment of the costs and expenses of any such sale, including reasonable compensation to the Mortgagee, its agents and counsel, and of any judicial proceedings wherein the same may be made, and of all expenses, liabilities and advances made or incurred by the Mortgagee under this Mortgage, together with interest as provided herein on all advances made by the Mortgagee and all taxes or assessments, except any taxes, assessments or other charges subject to which the Mortgaged Property shall have been sold.

Second: To the payment of the whole amount then due, owing or unpaid upon the Note for principal, together with any and all applicable interest and late charges.

Third: To the payment of any other sums required to be paid by the Mortgagor pursuant to any provisions of this Mortgage or of the Note.

Fourth: To the payment of the surplus, if any, to whosoever may be lawfully entitled to receive the same.

The Mortgagee and any receiver of the Mortgaged Property, or any part thereof, shall be liable to account for only those rents, issues and profits actually received by it.

(c) The Mortgagee may adjourn from time to time any sale by it to be made under or by virtue of this Mortgage by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, except as otherwise provided by any applicable provision of law, the Mortgagee, without further notice or publication, may make such sale at the time and place to which the same shall be so adjourned.

(d) Upon the completion of any sale or sales made by the Mortgagee under or by virtue of this Article II, the Mortgagee, or an officer of any court empowered to do so, shall execute and deliver to the accepted purchaser or purchasers a good and sufficient instrument, or good and sufficient instruments, conveying, assigning and transferring all estate, right, title and interest in and to the property and rights sold. The Mortgagee is hereby irrevocably appointed the true and lawful attorney of the Mortgagor, in its name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Mortgaged Property and rights so sold and for that purpose the Mortgagee may execute all necessary instruments of conveyance, assignment and transfer, and may substitute one or more persons with like power, the Mortgagor hereby ratifying and confirming all that its said attorney or such substitute or substitutes shall lawfully do by virtue hereof. Any such sale or sales made under or by virtue of this Article II, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of the Mortgagor in and to the properties and rights so sold, and shall be a perpetual bar both at law and in equity against the Mortgagor and against any and all persons claiming or who may claim the same, or any part thereof from, through or under the Mortgagor.

(e) In the event of any sale made under or by virtue of this Article II (whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale) the entire Indebtedness, if not previously due and payable, immediately thereupon shall, anything in the Note or in this Mortgage to the contrary notwithstanding, become due and payable.

(f) Upon any sale made under or by virtue of this Article II (whether made under the power of sale herein

granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale), the Mortgagee may bid for and acquire the Mortgaged Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the Indebtedness the net sales price after deducting therefrom the expenses of the sale and the costs of the action and any other sums which the Mortgagee is authorized to deduct under this Mortgage.

(g) No recovery of any judgment by the Mortgagee and no levy of an execution under any judgment upon the Mortgaged Property or upon any other property of the Mortgagor shall affect in any manner or to any extent, the lien of this Mortgage upon the Mortgaged Property or any part thereof, or any liens, rights, powers or remedies of the Mortgagee hereunder, but such liens, rights, powers and remedies of the Mortgagee shall continue unimpaired as before.

Section 2.03. Payment of Indebtedness After Default. Upon the occurrence of any Event of Default and the acceleration of the maturity hereof, if, at any time prior to foreclosure sale, the Mortgagor or any other person tenders payment of the amount necessary to satisfy the Indebtedness, the same shall constitute an evasion of the payment terms hereof and shall be deemed to be a voluntary prepayment hereunder, in which case such payment must include the premium required under the prepayment provision, if any, contained herein or in the Note, or, if at that time there is no privilege of prepayment, then the payment will include a premium of three (3%) percent of the then unpaid Indebtedness.

Section 2.04. Possession of the Premises. Upon the occurrence of any Event of Default hereunder, it is agreed that the then owner of the Premises, if it is the occupant of the Premises or any part thereof, shall immediately upon the request of Mortgagee surrender possession of the Premises so occupied to the Mortgagee, and if such occupant is permitted to remain in possession, the possession shall be as tenant of the Mortgagee and, on demand, such occupant (a) shall pay to the Mortgagee monthly, in advance, as rental for the space so occupied and in default thereof, the greater of (i) the then reasonable market rental for the Premises or (ii) the Applicable Percentage of all periodic payments due under the Note, and (b) may be dispossessed by the usual summary proceedings. The covenants herein contained may be enforced by a receiver of the Mortgaged Property or any part thereof. Nothing in this

Section 2.04 shall be deemed to be a waiver of the provisions of this Mortgage prohibiting the sale or other disposition of the Premises without the Mortgagee's consent.

Section 2.05. Interest After Default. If any payment due hereunder or under the Note is not paid when due, either as stated or accelerated maturity or pursuant to any of the terms hereof, then and in such event, the Mortgagor shall pay interest thereon from and after the date on which such payment first becomes due at the interest rate provided for in Section 1.11 hereof and such interest shall be due and payable, on demand, at such rate until the entire amount due is paid to the Mortgagee, whether or not any action shall have been taken or proceeding commenced to recover the same or to foreclosure this Mortgage. Nothing in this Section 2.05 or in any other provision of this Mortgage shall constitute an extension of the time of payment of the Indebtedness.

Section 2.06. Mortgagor's Actions After Default. After the happening of any Event of Default and immediately upon the commencement of any action, suit or other legal proceedings by the Mortgagee to obtain judgment for the Indebtedness, or of any other nature in aid of the enforcement of the Note or of this Mortgage, the Mortgagor will (a) waive the issuance and service of process and enter its voluntary appearance in such action, suit or proceedings, and (b) if required by the Mortgagee, consent to the appointment of a receiver or receivers of the Mortgaged Property and of all the earnings, revenues, rents, issues, profits and income thereof.

Section 2.07. Control by Mortgagee After Default. Notwithstanding the appointment of any receiver, liquidator or trustee of the Mortgagor, or of any of its property, or of the Mortgaged Property or any part thereof, the Mortgagee shall be entitled to retain possession and control of all property now and hereafter covered by this Mortgage.

ARTICLE III

Miscellaneous

Section 3.01. Credits Waived. The Mortgagor will not claim nor demand nor be entitled to any credit or credits against the Indebtedness for so much of the taxes assessed against the Mortgaged Property or any part thereof as is equal to the tax rate applied to the amount due on this Mortgage or any part thereof, and no deductions shall otherwise be made or claimed from the taxable value of the

Mortgaged Property or any part thereof by reason of this Mortgage or the Indebtedness.

Section 3.02. No Release. The Mortgagor agrees, that in the event the Mortgaged Property is sold and the Mortgagee 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, the Mortgagor 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 the Mortgagee.

Section 3.03. Notices. All notices hereunder shall be in writing and shall be deemed to have been sufficiently given or served for all purposes when delivered in person or sent by certified mail, return receipt requested, to any party hereto at its address above stated, and in the case of notices to the Mortgagor, with a copy of such notices to:

Godfrey & Kahn, S.C.
780 North Water Street
Milwaukee, Wisconsin 53202-3590
Attention: Peter M. Sommerhauser

or at such other address of which it shall have notified the party giving such notice in writing as aforesaid.

Section 3.04. Binding Obligations. The provisions and covenants of this Mortgage shall run with the land, shall be binding upon the Mortgagor and shall inure to the benefit of the Mortgagee, subsequent holders of this Mortgage and their respective successors and assigns. For the purpose of this Mortgage, the term "Mortgagor" shall mean the Mortgagor named herein, any subsequent owner of the Mortgaged Property, and their respective heirs, executors, legal representatives, successors and assigns. If there is more than one Mortgagor, all their undertakings hereunder shall be deemed joint and several.

Section 3.05. Captions. The captions of the Sections of this Mortgage are for the purpose of 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 3.06. Further Assurances. The Mortgagor shall do, execute, acknowledge and deliver, at the sole cost and expense of the Mortgagor, all and every such further

acts, deeds, conveyances, mortgages, assignments, estoppel certificates, notices of assignment, transfers and assurances as the Mortgagee may reasonably require from time to time in order to better assure, convey, assign, transfer and confirm unto the Mortgagee, the rights now or hereafter intended to be granted to the Mortgagee under this Mortgage, any other instrument executed in connection with this Mortgage or any other instrument under which the Mortgagor may be or may hereafter become bound to convey, mortgage or assign to the Mortgagee for carrying out the intention of facilitating the performance of the terms of this Mortgage.

Section 3.07. Severability. Any provision of this Mortgage which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provisions in any other jurisdiction.

Section 3.08. General Conditions. The Mortgagor hereby agrees that:

(a) All covenants hereof shall be construed as affording to the Mortgagee rights additional to and not exclusive of the rights conferred under the provisions of applicable law of the state in which the Mortgaged Property is located.

(b) 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 it is in writing and signed by the party against whom enforcement of the modification, alteration, amendment or discharge is sought.

(c) No remedy herein conferred upon or reserved to the Mortgagee is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission of the Mortgagee in exercising any right or power accruing upon any Event of Default shall impair any such right or power, or shall be construed to be a waiver of any such Event of Default, or any acquiescence therein. Acceptance of any payment after the occurrence of an Event of Default shall not be deemed to waive or cure such Event of Default except as provided for Special Events under the Loan Agreement; and every power and remedy given by

this Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expedient by the Mortgagee. Nothing in this Mortgage or in the Note shall affect the obligation of the Mortgagor to pay the Indebtedness in the manner and at the time and place therein respectively expressed.

(d) No waiver by the Mortgagee will be effective unless it is in writing and then only to the extent specifically stated. Without limiting the generality of the foregoing, any payment made by the Mortgagee for insurance premiums, taxes, assessments, water rates, sewer rentals or any other charges affecting the Mortgaged Property, shall not constitute a waiver of the Mortgagor's default in making such payments and shall not obligate the Mortgagee to make any further payments.

(e) The Mortgagee shall have the right to appear in and defend any action or proceeding, in the name and on behalf of the Mortgagor which the Mortgagee, in its discretion, feels may adversely affect the Mortgaged Property or this Mortgage. The Mortgagee shall also have the right to institute any action or proceeding which the Mortgagee, in its discretion, feels should be brought to protect its interest in the Mortgaged Property or its rights hereunder. All costs and expenses incurred by the Mortgagee in connection with such actions or proceedings, including, without limitation, reasonable attorneys' fees and appellate attorneys' fees, shall be paid by the Mortgagor, on demand; except that in case of a suit initiated by Mortgagor, GECC or Mortgagee, if Mortgagor shall prevail, Mortgagee shall bear its own attorney's fees and expenses.

(f) In the event of the passage after the date of this Mortgage of any law of any governmental authority having jurisdiction, deducting from the value of land for the purpose of taxation, affecting any lien thereon or changing in any way the laws of the taxation or mortgages or debts secured by mortgages for federal, state or local purposes, or the manner of the collection of any such taxes, so as to affect this Mortgage, the Mortgagor shall promptly pay to the Mortgagee, on demand, as and when due and payable, all taxes, costs and charges for which the Mortgagee is or may be liable as a result thereof, provided said payment shall not be prohibited by law or render the Note usurious, in which event Mortgagor may, within thirty (30) days of such demand, release the Premises in accordance with Section 7.1 of the Loan Agreement; and if the Premises are not

so released, the Mortgagee may declare the Indebtedness to be immediately due and payable.

(g) The information set forth on the cover hereof is hereby incorporated herein.

(h) The Mortgagor acknowledges that it has received a true copy of this Mortgage.

(i) For the purposes of this Mortgage, all defined terms contained herein shall be construed, whenever the context of this Mortgage so requires, so that the singular shall be construed as the plural and so that the masculine shall be construed as the feminine.

Section 3.09. Releases. This Mortgage and the lien hereof shall be released as provided in the Note and Loan Agreement.

Section 3.10. Legal Construction. The enforcement of this Mortgage shall be governed, construed and interpreted by the laws of the State of Illinois. Nothing in this Mortgage, the Note or in any other agreement between the Mortgagor and the Mortgagee shall require the Mortgagor to pay, or the Mortgagee to accept, interest in an amount which would subject the Mortgagee to any penalty under applicable law. In the event that the payment of any interest due hereunder or under the Note or any such other agreement would subject the Mortgagee to any penalty under applicable law, then ipso facto the obligations of the Mortgagor to make such payment shall be reduced to the highest rate authorized under applicable law.

Section 3.11. Loan Agreement. The Mortgagor has executed and delivered to and with the Mortgagee a Loan Agreement (herein called "Loan Agreement") dated as of the date hereof, in connection with the Premises and the disbursement of all or any part of the Indebtedness. The Loan Agreement is hereby incorporated herein by this reference as fully and with the same effect as if set forth herein at length. This Mortgage secures all funds advanced pursuant to the Loan Agreement and the due and punctual performance, observance and payment of all of the terms, conditions, provisions and agreements provided in the Loan Agreement to be performed, observed or paid by any party thereto other than Mortgagee. Mortgagor hereby agrees to duly and punctually perform, observe and pay or cause to be duly performed, observed and paid all of the terms, conditions, provisions and payments provided for in the Loan Agreement

to be performed, observed or paid by any party thereto other than Mortgagee.

It is further agreed as follows with respect to the Loan Agreement:

(a) If there is a conflict between the terms, provisions and/or conditions of the Loan Agreement and of this instrument, the Loan Agreement shall control.

(b) It shall be an immediate Event of Default hereunder, without further notice or period of grace, if there shall be an Event of Default under the Loan Agreement.

(c) If the Loan Agreement provides for grace periods, the passage of which shall constitute an Event of Default thereunder, and any such grace periods differ in duration from those provided in this Mortgage, the provisions of the Loan Agreement shall be applicable. All grace periods provided for in the Loan Agreement shall run concurrent with and not in addition to those specifically provided for in this Mortgage but, except as specifically provided in this Section 3.11 or elsewhere herein to the contrary, the terms, provisions and conditions of the Loan Agreement shall not otherwise supersede, affect, abrogate, suspend, alter or amend the occurrence of an Event of Default nor the passage of a grace period hereunder.

Section 3.12. Brokerage Indemnification. Mortgagor hereby indemnifies and holds harmless Mortgagee and General Electric Capital Corporation against, and agrees to pay on demand, any brokerage commission or finder's fee claimed by any broker or other party arising out of actions of or contacts with Mortgagor in connection with the loan transaction contemplated by this Mortgage and the Note.

Section 3.13. Additional Covenants. In the event that Mortgagee shall advance any sums to cure a default of the Mortgagor hereunder, the amount of such advance shall bear interest at the Default Rate and shall be due and payable by the Mortgagor upon notice from the Mortgagee and shall be deemed an additional indebtedness secured hereby.

Section 3.14. Subrogation. To the extent that Mortgagee, on or after the date hereof, pays any sum due under or secured by any Senior Lien as hereinafter defined, or Mortgagor or any other person pays any such sum with the proceeds of the Indebtedness:

(a) Mortgagee shall have and be entitled to a lien on the Mortgaged Property equal in priority to the Senior Lien discharged, and Mortgagee shall be subrogated to, and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such Senior Lien, which shall remain in existence and benefit Mortgagee in securing the Indebtedness; and

(b) Notwithstanding the release of record of Senior Lien Mortgagee shall be subrogated to the rights and liens of all mortgages, trust deeds, superior titles, vendors' liens, mechanics' liens, or liens, charges, encumbrances, rights and equities on the Mortgaged Property having priority to the lien of this Mortgage (herein generally called "Senior Liens"), to the extent that any obligation secured thereby is directly or indirectly paid or discharged with disbursements or advances of the Indebtedness, whether made pursuant to the provisions hereof or of the Note or any document or instrument executed in connection with the Indebtedness.

Section 3.15. Additional Remedies. Without limiting the provisions of Section 2.02 hereof but in addition thereto and in amplification thereof, it is agreed as follows:

(a) When the Indebtedness, or any part thereof, shall become due, whether by acceleration or otherwise, and shall not be paid, the Mortgagee shall have the right to foreclose the lien hereof for such Indebtedness or part thereof. In any suit or proceeding to foreclose the lien hereof there shall be allowed and included as additional indebtedness in the decree for sale, all expenditures and expenses which may be paid or incurred by or on behalf of the Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of a decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title, as the Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree, the true conditions of the title to or the value of the Premises. All expenditures and expenses of the nature in this subsection mentioned, and such expenses and fees as may be incurred in the protection of said Premises and the maintenance of the

lien of this Mortgage, including the fees of any attorney employed by the Mortgagee in any litigation or proceedings affecting this Mortgage, the Note or the Premises, including probate and bankruptcy proceedings, or in the preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by the Mortgagor, with accrued interest thereon at the Default Rate.

(b) Upon, or at any time after, the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the Premises. Such appointment may be made either before or after sale, without notice, without regard to solvency or insolvency of the Mortgagor at the time of application for such receiver, and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not; and the Mortgagee hereunder or any holder of the Note may be appointed as such receiver. Such receiver shall have the power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during any further times when the Mortgagor, except for the intervention of such receiver, would be entitled to collection of such rents, issues and profits and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court may, from time to time, authorize the receiver to apply the net income from the Premises in his hands in payment in whole or in part of:

(i) The Indebtedness, or the indebtedness secured by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to the foreclosure sale; or

(ii) The deficiency in case of a sale and deficiency.

Section 3.16. Waiver. The Mortgagor hereby expressly waives any and all homestead rights and rights of redemption from sale under any order or decree of foreclosure of this Mortgage, on its own behalf and on behalf of each and every person, and hereby covenants and agrees that it will not at any time insist upon or plead, or in any

manner whatever not claim or take advantage of any stay, exemption or extension law or so-called "Moratorium Law" now or at any time hereafter in force nor claim or insist upon the benefit or advantage from any law now or at any time hereafter in force providing for the valuation or appraisement of the Premises, it being the intent hereof that any and all such rights are and shall be deemed to be hereby waived to the fullest extent permitted by the provisions of applicable law.

Section 3.17. Intentionally Deleted.

Section 3.18. Maximum Indebtedness. The maximum amount secured by this Mortgage is Five Hundred Million Dollars ($500,000,000.00).

Section 3.19. Subordinate Liens. Notwithstanding the provisions of Sections 1.02, 1.17 and 2.01 hereof, the Mortgagor may encumber the Mortgaged Property with mortgages subordinate to the lien hereof to the extent permitted pursuant to the Loan Agreement.

Section 3.20 Nonrecourse. Notwithstanding anything contained herein to the contrary, neither Mortgagor nor any officer, director, employee, agent or shareholder of Mortgagor shall be personally liable for the repayment of any of the principal of or interest due hereunder, under the Note or for any other sum due under the Note or the Loan Agreement or other Security Documents (defined in the Note) or any other document evidencing or securing the loan evidenced by the Note or for any deficiency judgment which Mortgagee may obtain after foreclosure on its collateral after default by the Mortgagor, provided, however, that Mortgagor (but not any officer, director, employee, agent or shareholder) shall not be exonerated or exculpated from liability for or from any deficiency, loss or damage suffered by any Mortgagee as a result of:

(a) any application of insurance proceeds, condemnation awards, security deposits or trust funds in violation of applicable law or the provisions of Loan Agreement or Security Documents;

(b) entering into or modifying any ground lease in violation of the provisions of the Loan Agreement or Security Documents;

(c) waste or willful destruction to any Security Property (defined in the Note) or any part thereof caused by the Mortgagor's acts or omissions;

(d) Mortgagor's failure to discharge its indemnification obligations under the Indemnity Agreement;

(e) non-payment, prior to the occurrence of an Event of Default, of real estate taxes or assessments upon any Security Property;

(f) failure to correct Deficiencies or non-payment of sums required to correct Deficiencies as provided for in Section 6.15 of the Loan Agreement;

(g) Mortgagor's indemnities pursuant to Section 10.4 of the Loan Agreement; and

(h) Amounts payable by Mortgagor pursuant to Sections 4.6(h), 10.2 and 10.3 of the Loan Agreement.

IN WITNESS WHEREOF, Mortgagor has caused these presents to be duly executed and attested by its duly authorized officers and its corporate seal to be hereunto affixed, all as of the day, month and year first above written.

KOHL'S DEPARTMENT STORES, INC.,
a Delaware corporation

By: _____
Its: _____

ATTEST:

_____
Its: _____

STATE OF Illinois)
) SS
COUNTY OF Cook)

I, Carol M. Runkle, a Notary Public in and for the County and State aforesaid, do hereby certify that William S. Kilborn and John F. Hume, respectively, the (~~Vice~~) President and (~~Assistant~~) Secretary of Kohl's Department Stores, Inc., a Delaware corporation, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such officers of said corporation, respectively, appeared before me in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein set forth, and the said (Assistant) Secretary of said corporation then and there acknowledged that he, as custodian of the corporate seal of said corporation, did affix such corporate seal to said instrument as his own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal this 21 day of December 1989.

Carol M Runkle
Notary Public

My Commission Expires:

_____

"OFFICIAL SEAL"
CAROL M. RUNKLE
Notary Public, State of Illinois
My Commission Expires Feb. 8, 1993

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R&S 161700-200
WP: LR 62-756
DOC. #2
12/20/89-19

EXHIBIT A

NOTE

$96,915,000 December 1, 1989

1. Agreement to Pay. For value received, the undersigned, KOHL'S DEPARTMENT STORES, INC., a Delaware corporation (herein called "Borrower") promises to pay to the order of COMMERCIAL REAL ESTATE STRUCTURED TRANSACTIONS, INC., a Delaware corporation (herein called "CREST", and CREST and its successors from time as owner and holder of this Note being herein generally called the "Holder"), the principal sum of not to exceed

NINETY-SIX MILLION NINE HUNDRED
FIFTEEN THOUSAND DOLLARS
($96,915,000)

comprised of:

(a) A sum (herein called the "Basic Loan Amount") not to exceed NINETY-TWO MILLION THREE HUNDRED THOUSAND DOLLARS ($92,300,000), or so much thereof as shall have been advanced from time to time by CREST to Borrower pursuant to the Loan Agreement hereinafter referred to, whichever is less (but not including Interest Reserve Fundings); plus

(b) Any amounts remaining outstanding of Interest Reserve Fundings not to exceed FOUR MILLION SIX HUNDRED FIFTEEN THOUSAND DOLLARS ($4,615,000) in the aggregate, as may be advanced from time to time by CREST to Borrower as provided for herein and in the Loan Agreement;

(all herein called "Principal"), together with interest on balances of Principal remaining from time to time unpaid at the rates herein provided for.

2. Certain Definitions. For the purposes hereof the following terms shall have the following meanings:

"Additional Interest" shall mean any and all amounts which may become due and payable to any Counterparty pursuant to any Third Party Hedging Agreement or Matching Hedging Agreement (including without limitation any termination fees and charges) which amounts may be allocated by CREST among Security Parcels in such proportion as CREST may determine.

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EXHIBIT V

"Adjusted Current Interest Cost to CREST of any Liquidity Loan" shall mean an annual rate which is LIBOR plus 200 Basis Points.

"Amortizing Payment" when used in connection with any payment to be made on the first day of a Monthly Period as provided for in Section 4(b) hereof, shall mean a sum which would be the monthly payment necessary to fully amortize the balance of Principal outstanding on the first day of such Monthly Period with interest at the Contract Index Rate in effect on such day by level monthly payments over a period commencing on such day and ending on January 5, 2015.

"Average Interest Cost to CREST of Related CREST Commercial Paper" for any Monthly Period shall mean the weighted average (weighted by Net Proceeds) of rates of simple interest for all Related CREST Commercial Paper then outstanding, determined in each case by:

(a) Dividing the interest cost of such Related CREST Commercial Paper (equal to the face amount thereof or, if interest is payable thereon, the principal thereof and interest thereon at the maturity thereof, less the Net Proceeds for any such Related CREST Commercial Paper) by such Net Proceeds;

(b) Expressing such ratio as a percentage; and

(c) Annualizing such percentage by multiplying such percentage by a fraction, the numerator of which is the actual number of days in the calendar year in which the first day of such Monthly Period falls, and the denominator of which is the term of such Related CREST Commercial Paper expressed in days.

"Basic Loan Amount" shall have the meaning set forth in Section 1(a) hereof.

"Borrower" shall have the meaning set forth in Section 1 hereof.

"Business Day" shall mean any day other than:

(a) A Saturday or Sunday;

(b) A day on which banking institutions in the City of New York are authorized or obligated by law or executive order to be closed;

(c) A day in which the principal office of any one of GECC, FGIC or BTC is closed for the purpose of conducting its business; or

(d) A day on which the New York Stock Exchange is closed.

"Commencement Date" shall mean the date of the initial disbursement of the Loan (with respect to the first Monthly Period) and the sixth day of each month thereafter, provided that if such sixth day is not a Business Day, the Commencement Date shall be the Business Day immediately preceding such sixth day.

"Contract Index Rate" applicable to any day in any Monthly Period shall mean the weighted average (weighted by the Net Proceeds of outstanding Related CREST Commercial Paper and the aggregate unpaid principal amount of all outstanding Liquidity Loans) on such day of the Average Interest Cost to CREST of Related CREST Commercial Paper plus 97.5 Basis Points, and the Adjusted Current Interest Cost to CREST of each outstanding Liquidity Loan, if any; provided that notwithstanding the foregoing:

(a) The "Contract Index Rate" shall be the Adjusted Current Interest Cost to CREST of each Liquidity Loan under the following circumstances:

(i) In the event that notwithstanding its best efforts to do so, CREST is unable to issue Related Crest Commercial Paper for any reason; or

(ii) In the event that:

(A) A rating of at least "A-1+" or "P-1" is not in effect for Related CREST Commercial Paper; and

(B) Borrower has instructed CREST not later than one day prior to commencement of the next occurring Monthly Period that CREST is no longer to issue Related CREST Commercial Paper;

(b) In the event that at any time any portion of the Loan is not funded by Related CREST Commercial Paper, or a Liquidity Loan, the Contract Index Rate will be LIBOR plus 200 Basis Points.

"CREST" shall have the meaning set forth in Section 1 hereof.

"Default Rate" shall have the meaning set forth in Section 10(b) hereof.

"Event of Default" shall have the meaning set forth in Section 12 hereof.

"GECC" shall mean General Electric Capital Corporation.

"Holder" shall have the meaning set forth in Section 1 hereof.

"Interest Reserve Funding" shall have the meaning set forth in Section 5 hereof.

"Late Charge" shall have the meaning set forth in Section 11(a) hereof.

"LIBOR" shall mean a rate equal to the arithmetic mean (rounded upward to the nearest one-sixteenth of one percent) of the rates listed on the LIBOR page of the Telerate Service titled "British Bankers Association, Interest Settlement Rates" for a Designated Maturity of one month determined as of 11:00 A.M. (London Time) on the sixth (6th) day of each calendar month (unless the sixth (6th) day is not a day on which London Banks are open for business, in which case such rate shall be that quoted on the Telerate Service for the day immediately preceding such sixth (6th) day on which London Banks are open for business).

"Liquidity Agreement" shall mean that certain Liquidity Agreement dated December 1, 1989 between CREST and GECC relating to the Loan.

"Liquidity Loan" shall mean a loan made to CREST by GECC pursuant to the Liquidity Agreement.

"Loan" shall mean the indebtedness evidenced hereby, including all Principal, all sums disbursed pursuant

to the Loan Agreement and all sums secured by the Security Documents.

"Loan Agreement" shall mean that certain Loan Agreement dated as of the date hereof between Borrower and Lender relating to the disbursing of and security for the Loan and other matters.

"Mandatory Prepayment" shall have the meaning set forth in Section 7 hereof.

"Mandatory Prepayment Amount" shall have the meaning set forth in Section 7 hereof.

"Maturity Date" shall mean January 5, 2000 as provided for in Section 3 below.

"Monthly Period" shall mean a period commencing on the Commencement Date and ending on the day prior to the next following Commencement Date.

"Net Proceeds" for any commercial paper shall mean the net proceeds received from the sale of such commercial paper less the fees of any dealer or agent purchasing such commercial paper from, or placing it for CREST; provided that such fees will be .125% per annum of the face amount of each Related CREST Commercial Paper note issued, multiplied by a fraction, the numerator of which shall be the term of such note expressed in days and the denominator of which shall be 360.

"Prime Lending Rate" shall mean the prime rate (or base rate) reported in the Money Rates column or section of The Wall Street Journal published on the second business day of the month preceding the month in which a payment of interest and/or principal is due, as having been the rate in effect for corporate loans at large U.S. money center commercial banks (whether or not such rate has actually been charged by any such bank) as of the first calendar day of such month for which such rate is published; provided that (a) in the event The Wall Street Journal ceases publication of the prime rate, then "Prime Lending Rate" shall mean the prime rate (or base rate) announced by Bankers Trust Company (whether or not such rate has actually been charged by such bank) and (b) in the event such bank discontinues the practice of announcing the prime rate, the "Prime Lending Rate" shall mean the highest rate charged by such bank on short term, unsecured loans to its most creditworthy large corporate borrowers.

"Principal" shall have the meaning set forth in Section 1 hereof.

"Regular Interest" shall have the meaning set forth in Section 3 hereof.

"Related CREST Commercial Paper" shall mean that portion of then outstanding commercial paper issued by CREST, which was issued in a Related Issuance, provided that:

(a) If on any day when CREST makes a Related Issuance CREST also issues additional commercial paper for other transactions or other purposes, then commercial paper issued by CREST shall be allocated to the Related Issuance in accordance with clause (b) below;

(b) Under the circumstances contemplated in clause (a) above:

(i) Prior to any Related Issuance, Borrower may give CREST written notice of the preferred maturity date (which preferred maturity date may be either 30, 60, 90, 180 or 270 days) of the Related CREST Commercial Paper, which written notice must be received by CREST at any time before 2:00 P.M. New York City time on the Business Day prior to the day upon which CREST will issue such commercial paper;

(ii) If Borrower does not give CREST notice of a preferred maturity date with regard to an issuance of such commercial paper, CREST shall issue Related Crest Commercial Paper for such term as it selects in its sole discretion, and within three days after such selection, CREST will provide written notice to Borrower of the term selected by it;

(iii) CREST shall allocate to the Related Issuance a pro rata portion of all commercial paper of each such maturity issued on such day in an amount having Net Proceeds equal to the desired principal amount specified for each such maturity on such day (or, if the full amount of commercial paper desired to be issued on any day was not issued, such specified desired principal amount less the

principal amount of any Liquidity Loan made on such day);

it being intended that commercial paper of any maturity issued by CREST on any day which is allocated to the Related Issuance will bear a simple interest cost equal to the average simple interest cost to CREST of all commercial paper of such maturity issued by CREST on such day.

"Related Issuance" shall mean commercial paper issued by CREST either:

(a) On the first day of any Monthly Period with respect to the Loan, or

(b) To refinance a Liquidity Loan.

"Security Documents" shall mean the mortgages and related instruments (and any and all amendments thereto and modifications thereof agreed to by Holder) from time to time executed and delivered by Borrower encumbering the Security Property as security for the Loan as provided for in the Loan Agreement.

"Security Parcel" shall mean one of the properties (or any substitutions for any one or more thereof made subject to the lien of the Security Documents as provided for in the Loan Agreement) comprising part of the Security Property.

"Security Property" shall mean the real property, leasehold estates and other property, real, personal or mixed, owned by Borrower and subject to the lien of the Security Documents, it being understood and agreed that initially the Security Property shall consist of multiple separate parcels of real property, the improvements thereon and certain Fixtures (as that term is defined in the Loan Agreement) contained therein located in the States of Illinois, Michigan, Minnesota and Wisconsin (some of which parcels are comprised of leasehold estates owned by Borrower), all as more fully provided for in the Loan Agreement, together with any and all accretions thereto and substitutions therefor subject to or to be made subject to the lien of the Security Documents.

and other capitalized terms defined in the Loan Agreement, when used herein, shall have the same meanings as so defined.

3. Regular Interest Rate. Interest (herein called "Regular Interest") shall accrue upon outstanding Principal at the Contract Index Rate (except as provided for in Section 11(b) hereof during the continuance of any Event of Default) computed on the basis of a 365 day year.

4. Payment and Maturity Date. Principal and interest upon this Note (both Regular Interest and Additional Interest) payable with respect to each Monthly Period shall be due and payable without notice or grace as follows:

(a) On the last day of the first Monthly Period (or in the event that such last day shall not be a Business Day, then on the Business Day next preceding such last day) and on the last day of each of the next succeeding 59 Monthly Periods (or, in the event that any of such last days shall not be a Business Day, then on the Business Day next preceding such last day) there shall be due and payable to the Holder with respect to Regular Interest accrued or to accrue during the entire Monthly Period ending on such last day, interest only at the Contract Index Rate;

(b) On the last day of the 61st Monthly Period (or if such last day shall not be a Business Day, then on the Business Day next preceding such last day) and on the last day of each of the next 59 Monthly Periods (or in the event that any of such last days shall not be a Business Day, then on the Business Day next preceding such last day), there shall be paid to the Holder a sum equal to the Amortizing Payment, which Amortizing Payment shall be applied first in payment of Regular Interest accrued during the preceding Monthly Period and the balance to Principal; and

(c) On any day on which Additional Interest shall be due and payable by Borrower or CREST or any other Holder in connection with any Third Party Hedging Agreement or Matching Agreement, there shall be paid by Borrower to CREST or such other Holder the amount of such Additonal Interest then due and payable;

and in all events the entire balance of Principal and all accrued interest shall be due and payable on January 5, 2000 (herein called the "Maturity Date").

5. Interest Reserve Funding. If during any Monthly Period the Contract Index Rate shall exceed 14% per annum then (subject to the conditions and limitations set forth in Section 6 hereof) upon the written request of

Borrower made to CREST no later than the Business Day prior to the last day of such Monthly Period, CREST will lend and advance to Borrower on the Business Day next following the last day of such Monthly Period, as an Interest Reserve Funding, a sum equal to the amount, if any, by which Regular Interest payable with respect to such Monthly Period shall exceed Regular Interest which would be payable had the Contract Index Rate in effect during such Monthly Period been constant during such Monthly Period at the rate of 14% per annum; and in connection with the foregoing:

(a) All advances made pursuant to this Section 5 (herein generally called "Interest Reserve Funding") shall constitute so much outstanding Principal until repaid and shall accrue interest at the Contract Index Rate from the date advanced by CREST;

(b) All outstanding Interest Reserve Fundings shall for all purposes be deemed part of the Loan and shall be secured by the Security Documents; and

(c) In no event shall CREST be obligated to make any Interest Reserve Fundings for the purpose of paying Additional Interest or remitting the same to any Counterparty;

provided that the provisions of Subsections (a) and (b) of this Section 5 shall be self-executing, but CREST may require further confirmation as provided for in Section 6(f) hereof.

6. Limitation on Interest Reserve Funding. Notwithstanding anything to the contrary contained in Section 5 hereof, CREST shall not be obligated to advance and disburse any Interest Reserve Funding if at the time of the requested Interest Reserve Funding or at the time specified for the disbursement thereof:

(a) There shall have occurred and be continuing any Event of Default or event or condition which with the passage of time or the giving of notice, or both, would constitute an Event of Default;

(b) There shall have occurred any event or condition which would render untrue any of the representations and warranties set forth in Section 5.1 of the Loan Agreement (exclusive of Subsection (g)(ii) thereof) which shall be deemed restated at the time of any request for Interest Reserve Funding and at the time specified for the disbursement thereof;

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(c) Any of the material terms, provisions and requirements of the Loan Agreement shall not have been satisfied and fulfilled;

(d) After giving effect to such requested Interest Reserve Funding, the aggregate amount of all Interest Reserve Fundings shall exceed 5% of the then outstanding Principal balance of the Loan;

(e) After giving effect to such requested Interest Reserve Funding, the aggregate Interest Reserve Funding together with all Principal, accrued interest and other amounts of the Loan outstanding would exceed 80% of the total appraised value of the Security Property as set forth in an MAI Appraisal (as defined in the Loan Agreement);

(f) Borrower shall not have executed such instruments ancillary and/or amendatory hereto and to the Security Documents as CREST may reasonably require to evidence, acknowledge and confirm (i) the disbursement of such (and all prior) Interest Reserve Fundings and (ii) that all Interest Reserve Fundings are secured ratably with all other Principal; and

(g) The lien and priority of lien of the Security Documents would be impaired or affected by such Interest Reserve Funding and, if CREST shall so require, Borrower shall, as a condition to any Interest Reserve Funding furnish to CREST evidence (including endorsements to Title Policies delivered as provided in the Loan Agreement) that such liens and priority of lien remains unaffected by such Interest Reserve Funding.

7. Mandatory Prepayments. Notwithstanding anything to the contrary herein contained, Borrower shall make the following mandatory prepayments (herein called "Mandatory Prepayments") upon the Loan:

(a) In the event that:

(i) interest payable at the Contract Index Rate during a Monthly Period shall be a sum less than the amount of interest which would be payable with respect to such Monthly Period had the Contract Index Rate been 14% per annum throughout such Monthly Period; and

(ii) any Interest Reserve Fundings shall remain outstanding;

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then on the Business Day next following the last day of such Monthly Period Borrower shall pay to the Holder, as a Mandatory Prepayment, a sum equal to the lesser of the sums specified in clause (i) and clause (ii) above (herein called the "Mandatory Prepayment Amount") not to exceed the then outstanding balance of Interest Reserve Fundings, which Mandatory Prepayment Amount shall be applied to that portion of Principal comprised of Interest Reserve Fundings; and

(b) In the event that:

(i) Prepayment of a portion of the Loan (including, but not limited to partial prepayment resulting in release of one or more Security Parcels as provided for in the Loan Agreement) results in the reduction of outstanding Principal to a sum less than $20,000,000; or

(ii) If fewer than five Security Parcels remain as Security Property;

then the entire remaining outstanding Principal (including Interest Reserve Fundings), together with all accrued and outstanding interest and together with any prepayment premiums or release fees applicable to Security Parcels then remaining subject to the lien of the Security Documents, shall be immediately due and payable and Borrower shall forthwith pay the same to Holder as a Mandatory Prepayment.

8. Voluntary Prepayment. Borrower may make voluntary prepayments upon the Loan only at the times, upon payment of the release payments and premiums, and otherwise subject to all of the terms, provisions and conditions relating to voluntary prepayments set forth in the Loan Agreement.

9. Method and Place of Payment. All payments made upon the Loan shall:

(a) Be made in lawful money of the United States which shall be legal tender for public and private debts at the time of payment;

(b) Be paid in immediately available funds by noon New York City local time on the date due;