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SECURITY AGREEMENT

FOR VALUE RECEIVED, the undersigned, Andrew Lee (also known as Andy Lee), individually and d/b/a Marina City Venture, Alan S. Levin, individually and d/b/a Marina City Venture, Morris Muller, individually and d/b/a Marina City Venture, and Marina City Venture, an Illinois Joint Venture of 111 West Washington Street, Suite Number 1319, Chicago, Illinois 60602 (collectively the "Borrower") in order to secure (i) payment of the principal of and interest on that certain Promissory Note originally payable to the order of Harris Trust and Savings Bank, 111 West Monroe Street, Chicago, Illinois (the "Bank") in the face principal amount of \$470,000.00 (the "Note") and any and all extensions and renewals thereof or notes issued in substitution therefor, (ii) observance and performance of all covenants and agreements of the Borrower and/or Harris Trust and Savings Bank not personally but as Trustee under a deed or deeds of trust delivered in pursuance of a Trust Agreement dated as of July 20, 1989, and known as Trust Number 94524 (the "Trustee") contained in any and all mortgages, deeds of trust, loan agreements, assignments of leases and/or rents, security agreements and other instruments or documents securing the Note or setting forth terms and conditions applicable to the loan evidenced thereby, and (iii) payment of all expenses and charges, legal or otherwise, suffered or incurred by the Bank in enforcing payment of the Note or in realizing upon, protecting or preserving the collateral security therefor, (the Note and all of such other indebtedness, obligations and liabilities referred to in the foregoing clauses (i), (ii) and (iii) being hereinafter collectively referred to as the "indebtedness hereby secured") hereby grants to the Bank a security interest in and agrees and acknowledges that the Bank has and shall continue to have a security interest in all of the following:

(a) All of Borrower's right, title and interest in and to all materials intended for construction, reconstruction, alteration and repairs of the buildings and improvements now or hereafter erected on the premises described on Schedule I attached hereto and made a part hereof (the "Real Estate"), and all fixtures, machinery, apparatus, equipment, fittings and articles of personal property of every kind and nature whatsoever now or hereafter attached to or contained in or used or useful in connection with the Real Estate and the buildings and improvements now or hereafter located thereon and the operation, maintenance and protection thereof, including but not limited to all machinery, motors, fittings, radiators, awnings, shades, screens, all gas, coal, steam, electric, oil and other heating, cooking, power and lighting apparatus and fixtures, all fire prevention and extinguishing equipment and apparatus, all cooling and ventilating apparatus and systems, all plumbing,

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incinerating, and sprinkler equipment and fixtures, all elevators and escalators, all communication and electronic monitoring equipment, all window and structural cleaning rigs, and all other machinery and equipment of every nature and fixtures and appurtenances thereto and all items of furniture, appliances, draperies, carpets, other furnishings, equipment and personal property used or useful in the operation, maintenance and protection of the said Real Estate and the buildings and improvements now or hereafter located thereon and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to said Real Estate buildings or improvements in any manner;

(b) All of Borrower's right, title and interest in and to all judgments, awards of damages, settlements and other compensation hereafter made resulting from condemnation proceedings or the taking of the Real Estate or any part thereof or any building or any other improvement now or at any time hereafter located thereon or any easement or other appurtenance thereto under the power of eminent domain or any similar power or right (including any award from the United States Government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the warrant for payment thereof) whether permanent or temporary or for any damage (whether caused by such taking or otherwise) to said Real Estate or any part thereof or the improvements thereon or any part thereof or to any rights appurtenant thereto, including severance and consequential damage and any award for change of grade of streets; and

(c) All proceeds of the foregoing.

SECTION 1. Definitions.

(a) As used herein the term "collateral" means all property from time to time subject to the security interest pursuant hereto.

(b) Subject to the express definition set forth in subparagraph (a) above and elsewhere in this Agreement, all terms used herein which are defined in the Uniform Commercial Code of Illinois ("Code") have the same meaning herein as in the Code.

SECTION 2. General Representations and Warranties.
Beneficiary represents and warrants:

(a) Except for the security interest of the Bank therein, Borrower as to collateral now owned is and as to any collateral hereafter acquired will be, the owner thereof free from any liens, security interest, encumbrance or other right, title or interest of any other person, firm or corporation, and Borrower shall defend the collateral against all claims and

demands of all persons at any time claiming the same or any interest therein adverse to the Bank.

(b) There is no financing statement or similar notice now on file in any public office covering any property of any kind which is part of the collateral hereunder, or in which Borrower is named as or signs as debtor and which covers any property of any kind which is part of the collateral hereunder, and so long as any amount remains unpaid on any of the indebtedness hereby secured or this Security Agreement remains in effect, Borrower will not execute any financing statement or statements except the financing statements filed or to be filed in respect of and for the security interests granted by Borrower to the Bank.

(c) The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying registered equity securities (within the meaning of Regulation G of the Board of Governors of the Federal Reserve System), and no part of the proceeds of the loan evidenced by that certain promissory note of the Borrower dated August __, 1989 and payable to the order of the Bank in the principal amount of \$470,000 will be used by the Borrower to purchase or carry any registered equity securities or extend credit to others for the purpose of purchasing or carrying any registered equity securities or for the purpose of releasing or retiring any indebtedness which was originally incurred for any such purpose.

SECTION 3. General Covenants.

(a) Borrower acknowledges that all condemnation awards have been assigned to the Bank, which awards the Bank is hereby irrevocably authorized to collect and receive and to give appropriate receipts and acquittances therefor and at the Bank's option to apply same toward the payment of the amount owing on account of the indebtedness hereby secured in such order as the Bank may elect and whether or not the same may then be due and payable or be otherwise adequately secured and Borrower covenants and agrees that it will give the Bank immediate notice of the actual or threatened commencement of any proceedings under condemnation or eminent domain affecting all or any part of the Real Estate or any improvements now or hereafter erected thereon and will deliver to the Bank copies of any and all papers served in connection with any such proceedings. Borrower further covenants and agrees to make, execute and deliver to the Bank and to cause Harris Trust and Savings Bank, not personally but as Trustee under a deed or deeds in trust delivered in pursuance of a Trust Agreement dated as of July 20, 1989 and known as Trust Number 94524 (the "Trustee") to make, execute and deliver to the Bank at any time or times upon request, free, clear and discharged of any encumbrances of any kind whatsoever, any and all further assignments and/or instruments deemed necessary by

the Bank for the purpose of validly and sufficiently assigning all awards and other compensation heretofore and hereafter to be made to Borrower for any taking, either permanent or temporary, under any such proceedings.

(b) Borrower will keep the collateral and every part hereof in good and first class repair and condition and free of any lien, charge or encumbrance and will not sell or remove the collateral from the Real Estate and the buildings and improvements located thereon without the prior written consent of the Bank, provided that Borrower may (i) remove and dispose of obsolete, worn out or unuseful personal property if the same is concurrently replaced with new personal property of at least equal value and utility and (ii) enter into leases in the ordinary course of the Borrower's business on lease forms approved by Bank in writing and at rental rates which are either approved by Bank or are at no less than the prevailing rental rate for similar properties as of the date of execution of this Security Agreement.

(c) Borrower will from time to time at the request of the Bank execute and deliver to the Bank such lists, designations or descriptions in such form and in such detail as the Bank may from time to time require in order to identify the collateral and shall furnish the Bank such further evidence as to the identity and existence of any such collateral as the Bank may from time to time request. Borrower agrees to execute and deliver such further documents and instruments, including financing statement or statements as the Bank may from time to time require in order to assure and confirm to the Bank the security interest herein provided, and to comply with the Code and to preserve and protect the security interest hereby granted. In the event for any reason the law of any other jurisdiction becomes or is applicable to the collateral or any part thereof, Borrower agrees to execute and deliver all such instruments and to do all such other things which may be necessary or appropriate to preserve, protect and enforce the security interest and lien of the Bank under the law of such other jurisdiction to at least the same extent as such security interest would be protected under the Code.

SECTION 4. Remedies and General.

(a) When any of the indebtedness hereby secured shall become due and payable or any event of default shall occur under the Note or any mortgage or other instrument or document securing the Note or setting forth terms and conditions applicable to the loan evidenced thereby, the Bank shall, in addition to all other rights and remedies, have all the rights and remedies of a secured party under the Code. The Bank may require Borrower to take any steps necessary to make the collateral available to the Bank at a place designated by the Bank which is reasonably convenient. Any requirement of the Code for reasonable notice to

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Borrower shall be met if such notice is mailed to Borrower at its address appearing on the records of the Bank at least ten days before the time of the sale, disposition or other event or thing giving rise to the required notice.

(b) If the Bank or any receiver should at any time take possession of the Real Estate and the improvements thereon pursuant to powers granted under any mortgage or other security document securing the Note or under applicable law, the Bank or any such receiver may also take possession of any and all collateral contained in or upon the Real Estate or the buildings, improvements now or hereafter located thereon and use the same in the management and operation of such Real Estate and improvements.

(c) In the event that Borrower fails to keep the collateral free from liens and encumbrances, the Bank may, but need not, procure such insurance or discharge any such liens and encumbrances for the account of Borrower and all funds expended in so doing shall constitute so much additional indebtedness hereby secured which Borrower promises to pay to the Bank upon demand with interest at the rate per annum determined by adding 2% to the rate per annum from time to time announced by Harris Trust and Savings Bank as its prime commercial rate (with any change in such rate resulting from a change in such prime commercial rate to be and become effective as of and on the date of the relevant change in such prime commercial rate (the "Default Rate").

(d) No delay or omission on the part of the Bank in the exercise of any right or remedy hereunder shall operate as a waiver of such right or remedy nor shall the exercise of any such right or remedy preclude the later or further exercise thereof. All rights or remedies of the Bank on account of the collateral or on account of any of the indebtedness hereby secured, whether arising under this Agreement, any other instrument or document, or at law or in equity, shall be cumulative and not exclusive of each other, and may be exercised by the Bank at such times and in such order as the Bank may determine.

(e) Borrower agrees to pay all costs and expenses, including court costs and reasonable attorneys' fees, incurred by the Bank in enforcing any of the terms hereof or in retaking, holding, preparing for sale, selling, protecting, perfecting, collecting or otherwise realizing upon any collateral (including any such of the foregoing actions taken or done in any proceeding for relief of debtors under the Bankruptcy Act) upon default hereunder; and all such costs and expenses (including such court costs and attorneys' fees) shall constitute additional indebtedness of Borrower to the Bank which shall be payable on demand together with interest thereon at the Default Rate, and shall be secured by the security interest hereunder.

SECTION 5. Miscellaneous.

(a) No waiver or modification or amendment to the terms of this Agreement shall be effective as against the Bank unless the same is in writing and signed by an officer of the Bank. No such waiver, modification or amendment shall in any way affect any of the rights or remedies of the Bank hereunder except to the extent that such modification or amendment specifically provides. Any notice to Borrower by the Bank hereunder shall be deemed to have been given when delivered personally or when deposited in the United States mail (registered or certified), postage prepaid, addressed to Borrower at its address set forth at the beginning of this Agreement or at such other address of the Borrower as then may appear on the records of the Bank.

(b) Borrower waives presentment, notice of dishonor, protest and notice of the acceptance of this Agreement or of the creation of any indebtedness or liabilities secured hereunder and consents to and waives notice of the extension or renewal of any such indebtedness or liabilities from time to time, the release of any collateral or of any obligor, guarantor or surety on or for the indebtedness and liabilities hereby secured, it being understood and agreed that the grant of the security interest by Borrower hereunder shall be absolute and unconditional under all circumstances. The Bank shall have no duty as to the collection or protection of the collateral or any income thereon, nor as to the preservation of any other rights pertaining thereto.

(c) This Agreement and all rights and liabilities hereunder and in and to any and all collateral shall inure to the benefit of the Bank and their successors and assigns, and shall be binding upon Borrower and its successors and assigns. This Agreement and all rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the laws of Illinois. The term "Borrower" as used herein shall mean all parties signing this Agreement and each of them, jointly and severally.

(d) This Agreement shall remain and continue in full force and effect (notwithstanding the nonexistence at any time of any indebtedness, obligations and liabilities of Borrower or Trustee to the Bank secured or intended to be secured hereby) unless and until such time as the Bank shall have received at its office written notice of the termination of this Agreement, provided that such termination shall in no event become effective, and this Agreement and the security interest hereunder shall remain in effect, until all the indebtedness hereby secured of Borrower and/or Trustee to the Bank existing on the date of the receipt of such notice and all other liabilities of Borrower and/or Trustee to the Bank existing on the date of the receipt of such notice and all other liabilities of Borrower and/or Trustee to the Bank arising under the terms of this Agreement, whether

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before or after such termination, have been paid and satisfied in full and also until any commitment of the Bank to extend credit to Borrower or Trustee shall have terminated.


(e) Nothing contained in this Agreement shall obligate or commit the Bank to make, extend or renew any credit to Borrower, the making, extending or renewing of such credit to be (unless and to the extent the Bank otherwise agrees in writing) such as the Bank may from time to time in its sole discretion determine.

This Agreement shall be deemed to be and shall become effective upon the execution hereof by Borrower and delivery of the same to the Bank, and it shall not be necessary for the Bank to execute any acceptance hereof or otherwise signify or express their acceptance hereof.

DATED AS OF: August 4, 1989


ANDREW LEE (also known as Andy Lee, individually and d/b/a Marina City Venture


ALAN S. LEVIN, individually and d/b/a Marina City Venture


MORRIS MULLER, individually and d/b/a Marina City Venture

MARINA CITY VENTURE

By: 
Andrew Lee (also known as Andy Lee, its Joint Venturer

By: 
Alan S. Levin, its Joint Venturer

By: 
Morris Muller, its Joint Venturer

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SCHEDULE I

LEGAL DESCRIPTION

PARCEL 1:

UNIT NOS. 4001, 4002, 4003, 4004, 4005, 4006, 4007, 4008, 4009, 4010, 4011 AND 4012 AS DELINEATED ON SURVEYS OF LOTS 1 AND 2 IN HARPER'S RESUBDIVISION OF PART OF BLOCK 1 IN ORIGINAL TOWN ON CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND OF A PART OF BLOCK 1 IN KINZIE'S ADDITION TO CHICAGO. BEING A

SUBDIVISION OF THE NORTH FRACTION OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH PARTS OF VACATED STREETS AND ALLEYS LYING WITHIN AND ADJOINING SAID BLOCKS (HEREINAFTER REFERRED TO AS PARCEL) WHICH SURVEY IS ATTACHED AS EXHIBIT 'A' TO DECLARATION OF CONDOMINIUM OWNERSHIP MADE BY MARINA CITY CORPORATION, AND RECORDED DECEMBER 15, 1977 IN THE OFFICE OF RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS, AS DOCUMENT NUMBER 24238692 TOGETHER WITH AN UNDIVIDED .00076 PERCENT INTEREST IN SAID PARCEL (EXCEPTING FROM SAID PROPERTY AND SPACE COMPRISING ALL THE UNITS THEREOF AS DEFINED AND SET FORTH IN SAID DECLARATION AND SURVEYS), SITUATED IN COOK COUNTY, ILLINOIS

PARCEL 2:

EASEMENTS APPURTENANT TO AND FOR THE BENEFIT OF PARCEL AFORESAID AS SET FORTH IN DECLARATION OF CONDOMINIUM OWNERSHIP AFORESAID RECORDED DECEMBER 15, 1977 AS DOCUMENT 24238692 AND AS CREATED BY DEED FROM MARINA CITY CORPORATION, CORPORATION ILLINOIS, TO CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, RECORDED FEBRUARY 23, 1978 AS DOCUMENT 24337434 FOR ACCESS, INGRESS AND EGRESS IN, OVER, UPON, ACROSS AND THROUGH THE COMMON ELEMENTS AS OFFINED THEREIN.

PARCEL 3:

EASEMENTS APPURTENANT TO AND FOR THE BENEFIT OF PARCEL 1 AFORESAID AS SET FORTH IN GRANTS AND RESERVATIONS OF EASEMENTS RECORDED DECEMBER 15, 1977 AS DOCUMENT 24238691 AND AS CREATED BY DEED FROM MARINA CITY CORPORATION, A CORPORATION OF ILLINOIS, TO CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO RECORDED FEBRUARY 23, 1978 AS DOCUMENT 24337434 IN, OVER, UPON, ACROSS AND THROUGH LOBBIES, HALLWAYS, DRIVEWAYS, PASSAGEWAYS, STAIRS, CORRIDORS, ELEVATORS AND ELEVATOR SHAFTS LOCATED UPON THOSE PARTS OF LOTS 3 AND 4 IN HARPER'S RESUBDIVISION AFORESAID DESIGNATED AS 'EXCLUSIVE EASEMENT AREAS' AND 'COMMON EASEMENT AREAS' FOR INGRESS AND EGRESS AND ALSO IN AND TO STRUCTURAL MEMBERS, FOOTINGS, BRACES, CAISSONS, FOUNDATIONS, COLUMNS AND BUILDING CORES SITUATED ON LOTS 3 AND 4 AFORESAID FOR SUPPORT OF ALL STRUCTURES AND IMPROVEMENTS, ALL IN COOK COUNTY, ILLINOIS.

Property Address: 300 North State Street
Chicago, Illinois 60610

P.I.N. No.:	17-09-410-014-1077	17-09-410-014-1283
	17-09-410-014-1078	17-09-410-014-1284
	17-09-410-014-1079	17-09-410-014-1285
	17-09-410-014-1080	17-09-410-014-1286
	17-09-410-014-1281	17-09-410-014-1287
	17-09-410-014-1282	17-09-410-014-1288

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Property of Cook County Clerk's Office

BOX 333 - TH

MAIL TO: HARRIS BANK
111 W. MONROE
CHGO, IL. 60690
ATTN: John McHolland