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SECOND MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT AND ASSIGNMENT OF LEASES AND RENTS

THIS SECOND MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT AND ASSIGNMENT OF LEASES AND RENTS (the "Mortgage") made as of this 11th day of June, 1993 by and among (A) CHICAGO TECH PARTNERSHIP, an Illinois limited partnership (herein, together with its successors and assigns, "Beneficiary"), with a mailing address at c/o The Alter Group, Ltd., 3000 Glenview Road, Wilmette, Illinois 60091 and (B) LASALLE NATIONAL TRUST, N.A. (successor to LaSalle National Bank), not personally but solely as trustee ("LaSalle Trustee") under Trust Agreement dated October 30, 1985 and known as Trust No. 110487 (the "LaSalle Trust"), with a mailing address at 135 South LaSalle Street, Chicago, Illinois 60603 (herein, "Beneficiary" and the "LaSalle Trust", together with their respective successors and assigns, are sometimes collectively referred to as "Mortgagor") and TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA, a New York corporation with an address at 730 Third Avenue, New York, New York 10017 ("Mortgagee").

WITNESSETH:

74-26-598-DZ

THAT for good and valuable consideration and in consideration of Mortgagee's agreement to make certain loans evidenced by the Other Notes (as such term is defined in the Guaranty [hereinafter defined]) in the aggregate principal sum of FIFTY EIGHT MILLION FIVE HUNDRED THOUSAND AND NO/100ths DOLLARS (\$58,500,000.00), as well as the loan evidenced by the Guarantor Note (as such term is defined in the Guaranty) and for the purpose of securing the obligations of the Mortgagor under that certain Guaranty dated as of even date herewith made by Mortgagor to Mortgagee (the "Guaranty"), which Guaranty is given to guaranty the payment of the Liabilities (as such term is defined in the Guaranty), including, without limitation, the obligations of the Other Borrowers (as defined in the Guaranty) under the Other Notes and the Other Loan Documents (as defined in the Guarantor Note), and further to secure the performance of the covenants hereinafter contained, Mortgagor hereby jointly and severally MORTGAGES, GRANTS, BARGAINS, SELLS, RELEASES, CONVEYS, TRANSFERS AND ASSIGNS TO THE MORTGAGEE AND ITS SUCCESSORS AND ASSIGNS FOREVER, AND GRANTS TO THE MORTGAGEE A CONTINUING SECURITY INTEREST IN AND TO, ALL of Mortgagor's right, title and interest in and to the hereinafter described real estate: that certain real estate located in the City of Chicago, County of Cook, State of Illinois, as more particularly described on Exhibit A attached hereto (the "Trust 110487 Property"); of which LaSalle Trust is now seized and possessed (herein, the Trust 110487 Property is sometimes referred to herein as a "Property" and sometimes referred to herein as the "Property(ies)");

TOGETHER with all right, title and interest of Mortgagor, including any after-acquired title or reversion, in and to the beds of the ways, roads, streets, avenues and alleys adjoining the said Property(ies);

TOGETHER with all right, title and interest of Mortgagor in and to all and singular tenements, hereditaments, easements, appurtenances, passages, waters, water rights, water courses, riparian rights, mineral rights, other rights, liberties and privileges thereof or in any way now or hereafter appertaining, including homestead and any other claim at law or in equity as well as any after-acquired title, franchise or license and the reversion and reversions and remainder and remainders thereof;

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PREPARED BY & MAIL TO:
MARISE BROWN PLATT
150 S. LA SALLE
CHgo, Ill 60601
PAUL MAYER

Box 407

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TOGETHER with all leases, lettings, licenses, rents, issues, proceeds and profits accruing and to accrue from the Property(ies) from present and future leases, licenses and management agreements, or otherwise, which are hereby specifically assigned, transferred and set over to Mortgagee, its successors and assigns, including, but not limited to, minimum rents, additional rents, percentage rents, parking maintenance, tax and insurance contributions, deficiency rents and liquidated damages following default, the premium payable by any lessee upon the exercise of a cancellation privilege originally provided in any said lease, and all proceeds payable under any policy of insurance covering loss of rents resulting from untenability caused by destruction or damage to the Property(ies) or the improvements constructed thereon together with any and all claims of any kind which Mortgagor may have against any lessee under such leases or any subtenants or occupants of the Property(ies);

TOGETHER with all buildings and improvements of every kind and description now or hereafter erected or placed thereon and all materials intended for construction, re-construction, alteration and repairs of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the Property(ies) immediately upon the delivery thereof to the Property(ies), and all fixtures and articles of personal property now or hereafter owned by Mortgagor and attached to or contained in and used in connection with the Property(ies), including but not limited to all furniture, furnishings, apparatus, machinery, equipment, motors, elevators, fittings, radiators, ranges, ice boxes, mechanical refrigerators, awnings, shades, screens, blinds, office equipment, carpeting, ovens, dishwashers, microwave ovens, shades, blinds, drapes, jacuzzi accessories, cabins and swimming pool equipment and other furnishings, and all plumbing, heating, lighting, cooking, laundry, ventilating, refrigerating, incinerating, air-conditioning and sprinkler equipment and fixtures and appurtenances thereto; and all renewals or replacements thereof or articles in substitution thereof, whether or not the same are or shall be attached to said building or buildings in any manner, it being mutually agreed that all the aforesaid property owned by said Mortgagor and placed by it on the Property(ies) shall, so far as permitted by law, be deemed to be fixtures and a part of the realty, security for the said obligations and covered by this Mortgage, and as to the balance of the property aforesaid, this Mortgage is hereby deemed to be as well a Security Agreement for the purpose of creating hereby a security interest in said property, securing the said obligations for the benefit of the Mortgagee. Mortgagor hereby grants to Mortgagee, its successors and assigns, a Uniform Commercial Code security interest in all of the foregoing and agrees to execute, acknowledge and deliver, from time to time, such further instruments and documents as may be requested by Mortgagee, its successors and assigns, to confirm and protect the lien and security interest of this Mortgage or all of the foregoing, under the provisions of the Uniform Commercial Code, or otherwise;

TOGETHER with all development and use rights, permits, licenses, variances, land use entitlements, approvals, consents, authorizations, franchises and agreements; all rights, but not the obligations, under any covenants, conditions and restrictions or other matters of record; all rights, but not the obligations, under contracts and all architectural, service, engineering, consulting, leasing, financing, sale and surety contracts; all reserves, deferred payments, deposits, refunds, cost savings, letters of credit and payments of any kind; all disbursed proceeds of financing commitments; all insurance policies obtained pursuant to any lease, license, permit or similar agreement; all revenues of operation in any form (including cash, cash equivalents, instruments, accounts and general intangibles) and all proceeds arising in connection with any requisition,

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confiscation, condemnation, seizure or forfeiture of all or any part of the Property(ies), or the buildings and improvements constructed or to be constructed thereon, by any governmental body authority, bureau or agency (or any person acting under color of governmental authority); and all architectural and other drawings, plans specifications, soil tests and reports, feasibility studies, data, appraisals, maps, surveys, engineering reports, books of account, and other documents of any kind relating to the Property(ies), or the buildings and improvements constructed or to be constructed thereon, including the right to use or sell the same; and all goods, accounts, documents, instruments, money, deposit accounts, chattel paper and general intangibles; all proceeds, replacements, substitutions, products, accessions, and increases in the foregoing or all claims, demands or causes of action to enforce the foregoing and the proceeds thereof; and all books, records and other information and all computer and other equipment and devices used to record, store, manage or access any such information of every kind and nature, wherever located;

TOGETHER with the following, whether now owned or hereafter acquired by Mortgagor; all deposits (including tenants' security deposits), bank accounts, funds, instruments, notes or chattel paper arising from or by virtue of any transaction related to the Property(ies), the improvements or the other components of the Property(ies); all of Mortgagor's rights (but not its obligations) under any documents, instruments, contracts, accounts and general intangibles (including, without limitation, trademarks, trade names and symbols) arising from or by virtue of any transactions related to the Property(ies), the improvements or other components of the Property(ies); all awards and other compensations heretofore or hereafter to be made, including interest thereon, to the present and all subsequent owners of the Property(ies), or any of the buildings and improvements constructed or to be constructed thereon, for any taking by eminent domain, either permanent or temporary, of all or any part of, the Property(ies), or any of the buildings and improvements constructed or to be constructed thereon, or any easement or appurtenance thereof, including severance and consequential damage and change in grade of streets, which said awards and compensation are hereby assigned to Mortgagee, and Mortgagor hereby appoints Mortgagee its Attorney-in-Fact, coupled with an interest, and authorizes, directs and empowers such Attorney, at the option of the Attorney, on behalf of Mortgagor or the heirs, personal representatives, successors or assigns of Mortgagor to adjust or compromise the claim for any award and to collect and receive the proceeds thereof, to give proper receipts and acquittances therefor and after deducting expenses of collection, including reasonable attorneys' fees, to apply the net proceeds as a credit upon any portion, as selected by Mortgagee of the obligations secured hereby, notwithstanding the fact that the amount owing thereon may not then be due and payable or that the obligations are otherwise adequately secured;

TOGETHER with all unearned premiums, accrued, accruing or to accrue under insurance policies now or hereafter obtained by the Mortgagor and all proceeds of the conversion, voluntary or involuntary, of the Property(ies), or any of the buildings and improvements constructed or to be construed thereon, 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 Property(ies) by any governmental or other lawful authorities for the taking by eminent domain, condemnation or otherwise, of all or any part of the Property(ies) or any easement therein, including awards for any change of grade of streets;

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TOGETHER with all right, title and interest of Beneficiary in, to and under the Reserve Account and the Amortization Account, including any investment interest earned thereon (as such terms are defined in the Escrow Agreement [as defined in the Guarantor Note]);

TOGETHER with all after-acquired title and any and all other interests of every kind and character that Mortgagor at any time hereafter acquires in and to all of the foregoing.

All of the foregoing and all of the other items of property of whatsoever nature conveyed to Mortgagee hereunder being collectively defined as the "Premises".

TO HAVE AND TO HOLD the same unto the Mortgagee and its successors and assigns forever.

AND MORTGAGOR COVENANTS AND BENEFICIARY WARRANTS that Trust 110487 is the owner of good and indefeasible fee title in fee simple of the Trust 110487 Property, together with all of the buildings or improvements constructed, or to be constructed, thereon; that the same are free from all encumbrances and liens whatsoever except for the permitted encumbrances set forth for each of the Property(ies) on Exhibit B attached hereto ("Permitted Encumbrances"); that Mortgagor has good and legal right, power and authority to so convey the same and that Mortgagor and successors in interest will forever WARRANT AND DEFEND the title of the Premises and the lien and priority of this MORTGAGE against the lawful claims and demands of all persons whomsoever; and that Mortgagor will execute, acknowledge and deliver all and every such further assurances unto the Mortgagee of the title to all and singular the Premises hereby conveyed and intended so to be, or which Mortgagor may be or shall become hereinafter bound so to do. All such covenants and warranties shall run with the land.

AND IN ORDER TO PROTECT MORE FULLY THE SECURITY OF THIS MORTGAGE, MORTGAGOR JOINTLY AND SEVERALLY COVENANTS REPRESENTS, AGREES AND BENEFICIARY WARRANTS AS FOLLOWS:

1. Mortgagor shall promptly pay and/or perform all obligations and Liabilities evidenced by the Guaranty and the Second Priority Loan Documents (as such term is defined in the Guarantor Note) at the times and in the manner herein and in the Guaranty and the Second Priority Loan Documents provided and if Mortgagor shall fail to make such payments as and when they are due, a late charge in an amount set forth in section 1.8 of the Other Notes shall be immediately due and payable.

2. (a) Mortgagor shall keep the Premises free from statutory and constitutional liens of every kind as well as any mortgage, lien, claim, security interest, charge, encumbrance or other right or claim of any kind whatsoever upon the Premises or any part thereof, except those of current taxes not delinquent, the lien created hereby and the Permitted Encumbrances. It shall be an Event of Default hereunder if Mortgagor fails to comply with the provisions of this Paragraph 2.(a).

(b) Mortgagor shall: (i) pay, before delinquency and before any penalty for nonpayment attaches thereto, all taxes, assessments, water rates, sewer rentals and other governmental or municipal or public dues, charges, fines or impositions which are or may be levied against the Premises or any part thereof; (ii) deliver to the Mortgagee, within thirty (30) days after the date the same are due and payable, receipted bills evidencing payment therefor; and (iii) pay, in full, under protest and in the manner provided by statute, any tax, assessment, rate, rental, charge, fine or imposition aforesaid which Mortgagor may desire to contest. The Mortgagor's making payments and deposits required

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by Paragraph 3 hereof shall not relieve the Mortgagor of, or diminish in any way, the Mortgagor's obligations as set forth in this Paragraph 2.

(c) In the event of the passage after the date of this Mortgage of any law of the State in which the Premises are located deducting from the value of land for the purposes of taxation of any lien thereon or changing in any way the laws for the taxation of mortgages or deeds of trust or debts secured by mortgage or deed of trust for state or local purposes, or the manner of the collection of any such taxes so as to impose a tax upon or otherwise to affect this Mortgage, or upon the rendition by any court of competent jurisdiction of a decision that any undertaking by Mortgagor, as in this paragraph provided, is legally inoperative, then in any such event, an Event of Default shall be deemed to have occurred hereunder, and, without limiting any other remedies available, as a consequence of such Event of Default, the obligations secured hereby, at the option of the Mortgagee and upon thirty (30) days' prior written notice, shall become immediately due, payable and collectible (but no premium will be chargeable by the Mortgagee by reason thereof), provided, however, said option and right shall be unavailing and the Guaranty and this Mortgage shall remain in effect in any event, if Mortgagor lawfully may pay all such taxes, assessments and charges, including interest and penalties thereon, to or for the Mortgagee and Mortgagor does in fact pay the same when payable. An assessment which has been made payable in installments at the application of Mortgagor shall nevertheless, for the purpose of this Paragraph 2, be deemed due and payable in its entirety on the day the first installment becomes due or payable or a lien.

3. In order to more fully protect the security of this Mortgage, Mortgagor shall pay to the Mortgagee, provided the same is not being collected by the Mortgagee under the First Mortgage (hereinafter defined), monthly until all obligations and Liabilities under the Guaranty have been fully paid or performed, a sum equal to all taxes, assessments, water and sewer rates and charges and all other impositions next due on the Premises described herein and on any parcel over which Mortgagor has a license or other interest which benefits the said Premises (all as estimated by the Mortgagee), less all sums paid therefor, divided by the number of months to elapse before one (1) month prior to the date when such taxes, assessments, rates, charges, impositions and premiums shall be due and payable.

All such payments described in this Paragraph 3 shall be held by the Mortgagee to pay for the items herein enumerated but without interest accruing and without any obligation arising for the payment of interest thereon and Mortgagor waives any right, to the fullest extent permitted by law, to demand, collect or receive any interest, income or profits on such money so paid to the Mortgagee.

All payments mentioned in this Paragraph 3 shall be paid by Mortgagor each month in a single payment to be applied by the Mortgagee as set forth in the First Mortgage (as defined in Paragraph 9 hereof).

The Mortgagee shall have the right to make any such payment for taxes, assessments, water rates or charges, sewer rates or charges, or other imposition notwithstanding that at such time any such tax, assessment, water rates or charges, sewer rates or charges, or other imposition is then being protested or contested by Mortgagor, unless (i) upon not less than forty-five (45) days prior to the due date thereof, Mortgagor shall have notified the Mortgagee, in writing of such protest or contest, in which event, as the case may be, the Mortgagee shall make such payment under protest in the manner described by law or (ii) Mortgagee shall withhold such payment but only if Mortgagor shall have first

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furnished to Mortgagee a bond or other surety in form, amount and substance satisfactory to the Mortgagee and only so long as Mortgagor contests such payment with due diligence; provided, further, however, that such protest or contest must preclude enforcement of collection and/or the sale of the Premises in satisfaction of such tax, assessment, water rate or charge, sewer rate or charge or imposition. In the event such protest or contest shall or might result in a penalty, interest or other charges, Mortgagor shall likewise deposit monthly pro rata the amount of any such penalty, interest and additional charges. No withholding of any such payment need be made by the Mortgagee if it violates or, in the sole opinion of Mortgagee, could result in a violation or other default of any of the provisions of any ground or primary lease or if such withholding may impair the lien or priority of this Mortgage.

Any excess funds accumulated in accordance with this Paragraph 3 remaining after payment of the items specified herein shall be credited to subsequent monthly payments of the same nature required hereunder, but if the actual amount due for any such item shall exceed the estimate therefor, Mortgagor shall, immediately and without demand, make good the deficiency not less than fifteen (15) days prior to the date such item is due and payable. The Mortgagor's failure to make such additional payments on or prior to such date shall be a default hereunder and the obligations, Liabilities, and all other sums due hereunder and under the Guaranty shall immediately become due and payable at the option of Mortgagee. In the event the Premises described herein is sold under foreclosure or is otherwise acquired by the Mortgagee after default, any remaining balance of the accumulations under subparagraphs (a) and (b) above shall, at Mortgagee's option, either be credited to the obligations under the Guaranty as of the date of commencement of foreclosure proceedings or as of the date the Premises described herein is otherwise acquired or otherwise applied in a manner permitted hereunder. Subject to Paragraph 3 hereof, in the event of a sale of the said Premises and Mortgagee consents to an assignment and assumption of this Mortgage and the indebtedness that it secures, any such funds on deposit with the Mortgagee shall be transferred automatically and without the necessity of any notice or written assignment and thereafter held for the account of the new owner to be applied in accordance with the foregoing provisions of this Paragraph 3.

4 (a) Mortgagor shall keep all improvements now existing or hereafter erected on the Premises described herein insured as may be required from time to time by the Mortgagee or any operating agreement affecting the Premises against loss or damage by, or abatement of rental income resulting from, fire and such other hazards, casualties and contingencies (including but not limited to, war risk insurance, if available) in such amounts and for such periods as may be required by the Mortgagee and will pay promptly when due any premiums on such insurance. All such insurance shall be carried in companies having a Best Insurance Rating of at least A or better and a financial rating of at least 10 or more, or by other companies approved by the Mortgagee, and certified copies of Mortgagor's master policies and renewals thereof, together with original endorsements evidencing that such master policies insure the Premises and the amount of the insurance under each such master policy allocated to each of the Property(ies) that comprise the Premises, shall be deposited with and held by the Mortgagee and shall contain or have attached thereto a standard non-contributory mortgagee clause in favor of the Mortgagee entitling Mortgagee to collect, adjust, compromise and settle any and all proceeds payable under all such insurance, a provision requiring at least thirty (30) days prior written notice of cancellation to Mortgagee as well as a standard waiver of subrogation endorsement, all to be in form acceptable to the Mortgagee. Any renewals of such policies shall be deposited with

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Mortgagee not less than twenty (20) days prior to the expiration of the policy being replaced. Mortgagor shall not carry separate insurance concurrent in kind or form and contributing, in the event of loss, with any insurance required hereunder. In the event of a change in ownership of the said Premises, immediate notice thereof by mail shall be delivered by Mortgagor to all insurers.

(b) In the event of loss, Mortgagor will also give immediate notice to the Mortgagee. Mortgagor hereby authorizes the Mortgagee, at its option, to direct and control the collecting, adjusting and compromising of any loss under any of the insurance aforesaid. Notwithstanding anything to the contrary in this Paragraph 4, provided no default or Event of Default exists under the Guaranty, this Second Mortgage or any of the Second Priority Loan Documents, Mortgagor shall have the right to adjust and compromise the amount of any such loss, but only upon obtaining the prior written consent of the Mortgagee to such adjustment or compromise.

(c) (i) Mortgagor hereby covenants and agrees that all insurance proceeds, after deducting all reasonable costs of collection, shall be applied by the Mortgagee and at Mortgagee's option (subject to the provisions of the Operating Agreement [as defined in Paragraph 57]) as follows: (1) as a credit upon the obligations secured hereby, or in reduction of the obligations secured hereby or advanced by the Mortgagee under any of the covenants herein, or (2) to restoring the improvements in accordance with the terms of Paragraph 4(d) below, in which event the Mortgagee shall not be obligated to see to the proper application thereof nor shall the amount so released or used be deemed a payment on or reduction in any obligations secured hereby, or (3) to deliver same to the owner of the damaged Property(ies). No insurance proceeds at any time held by the Mortgagee hereunder shall be deemed to be held in trust, and the Mortgagee may commingle such proceeds with its general assets and shall not be liable for the payment of any interest or other return thereon. In the event of foreclosure of this Mortgage or other transfer of title to the Premises in lieu of foreclosure, all right, title and interest of Mortgagor in and to any insurance policies then in force and any prepaid premiums therefor shall automatically pass to the purchaser or grantee.

Notwithstanding any provision herein to the contrary, it is hereby understood, covenanted and agreed that the Mortgagee shall make the proceeds received under any such insurance policies as therein described available for the restoration of the improvements so damaged, subject to the conditions set forth in the First Mortgage. In the event any of the said conditions are not or cannot be satisfied, then the alternate disposition of such insurance proceeds as provided in subparagraph c above, shall again become applicable. Under no circumstances shall Mortgagee become personally liable for the fulfillment of the terms, covenants and conditions contained in any of the said leases nor obligated to take any action to restore the said improvements.

5. Mortgagor shall carry and maintain such liability and indemnity insurance (including, but without limitation, water damage insurance and the so-called assumed and contractual liability coverage) as may be required from time to time by the Mortgagee and any Operating Agreement affecting the Premises in forms, amounts and with companies satisfactory to the Mortgagee. Certificates of such insurance, premiums prepaid, shall be deposited with the Mortgagee and shall contain a provision for thirty (30) days' prior written notice to Mortgagee prior to any cancellation thereof.

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6. Mortgagor shall provide, improve, pave, grade surface and thereafter maintain, clean, repair, police and adequately light all parking areas within the Premises, together with any sidewalks, aisles, street, driveways, and sidewalk cuts therein. It is also covenanted and agreed that these parking areas shall be reserved and used solely and exclusively for the purposes of providing ingress, egress and parking facilities for automobiles and other passenger vehicles of the owners and tenants and of the employees, licensees, invitees and customers of the owners and tenants, and further that as part of said parking areas, there shall be provided sufficient paved areas for ingress and egress and right of way to and from the adjacent public thoroughfares. Mortgagor covenants that the parking area for the Trust 110487 Property, shall always be of sufficient size to accommodate not less than thirty eight (38) standard-size American make automobiles but in no event shall such parking areas be smaller or the number of parking spaces be less than required by the local zoning authorities and under any operating agreement affecting the Premises. Mortgagor further covenants that no lease or other arrangement shall be made affecting the said parking areas which will cause a default under any lease to a tenant of any portion of the Premises. The parking areas shall not be built upon, obstructed, redesigned or relocated and the same shall not be licensed, leased or the right to use same granted to any person other than tenants occupying space in the Premises and their employees, licensees, invitees and customers. The covenants, restrictions and reservations hereinabove set forth shall run with the land and shall continue in full force and effect so long as any part of the obligations secured hereby shall remain unpaid or unperformed. The refusal or failure of Mortgagor, its successors or assigns, or any subsequent owner of the Premises, to comply with the foregoing shall constitute a default hereunder and, subject to any applicable grace period, the entire obligations secured hereby shall, at the option of the holder of the Guaranty secured hereby, become immediately due and payable.

7. No building or other improvements now or hereafter on the Premises shall be altered, removed or demolished without the express written consent of the Mortgagee, nor, without first obtaining Mortgagee's express written consent therefor, shall any fixture or appliance on, in or about said building or improvements be mortgaged, severed, removed or sold unless upon any such removal or severance the same are immediately replaced by fixtures or appliances of equal or better condition and utility, and in the event of the demolition or destruction in whole or in part of any of the fixtures, chattels or articles of personal property covered hereby, Mortgagor shall promptly replace same by similar fixtures, chattels and articles of personal property at least equal in quality and condition to those replaced, free from any security interest in or encumbrance thereon or reservation of title thereto. Mortgagor shall not permit, commit or suffer any waste, impairment or deterioration of said Premises or any part thereof. Mortgagor shall keep and maintain said Premises and every part thereof with buildings, fixtures, machinery and appurtenances in good repair and condition. Mortgagor shall effect such repairs as the Mortgagee may reasonably require and from time to time make all needful and proper replacements so that said buildings, fixtures, machinery and appurtenances will at all times be in good condition, fit and proper for the respective purposes for which they were originally erected or installed. Mortgagor shall comply with all statutes, orders, requirements or decrees relating to said Premises by any federal, state or municipal authority. Mortgagor shall observe and comply with all conditions and requirements necessary to preserve and extend any and all easements, rights, licenses, permits (including but not limited to zoning variances, special exceptions and non-conforming uses), privileges, franchises and concessions which are applicable to the said Premises or which

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have been granted to or contracted for by Mortgagor in connection with any existing or presently contemplated use of the said Premises. Mortgagor shall not initiate, join in or consent to any change in any restrictive covenant, zoning ordinance or other public or private restriction limiting the uses which may be made of the Premises, or any part thereof. Mortgagor shall permit the Mortgagee or its agents, at all reasonable times, to enter upon and inspect the said Premises. Mortgagor acknowledges and agrees that the non-payment of taxes, assessments or insurance premiums as required herein shall constitute waste and Mortgagor does hereby agree to, and does hereby consent to, the appointment of a receiver should the Mortgagee elect to resort to its remedies hereunder. Notwithstanding anything in this Paragraph 7 to the contrary, Mortgagor need not obtain Mortgagee's prior written consent to any alterations or improvements to the Premises provided: (a) no default or Event of Default then exists under the Guaranty, this Second Mortgage or any of the Second Priority Loan Documents; (b) such alterations or improvements are not structural in nature and will not affect the structural components or heating, ventilating and air conditioning components of the Premises; (c) such improvements or alterations will not decrease the value of the Premises; and (d) such improvements or alterations shall not affect the external appearance of the Premises.

8. The Mortgagee shall have the right, at any time and from time to time, to engage an independent realtor, inspecting engineer or other contractor to survey the adequacy of the maintenance of the Premises. If found inadequate, such realtor, inspecting engineer or other contractor shall determine the estimated cost of such repairs and replacements necessary to protect and preserve the rentability and useability of the Premises, and Mortgagor does hereby acknowledge that the security of this Mortgage is thereby impaired to the extent of the estimated cost of such repairs and replacements. In such event, at the option of the Mortgagee and within thirty (30) days after written demand therefor, a sum equal to the amount of such estimated costs, together with any applicable prepayment premium, shall thereupon become due and payable by Mortgagor to be applied, at Mortgagee's option, for the repair and maintenance of the Premises or upon the obligations secured hereby (to be applied pro rata against the Property(ies) allocable portion of such obligations), unless within such period Mortgagor, at its own cost and expense, shall have completed or shall have commenced and thereafter, with due diligence, completes such repairs and replacements. Mortgagor shall also reimburse the Mortgagee for the cost of such inspection, the same being secured hereby, except that if such inspection determines such maintenance to be adequate, then the cost thereof shall be borne by the Mortgagee.

9. Without the prior written consent of the Mortgagee, Mortgagor shall not voluntarily create or otherwise permit to be created or filed against the Premises any deed of trust lien, mortgage lien or other lien or liens inferior or superior to the lien of this Mortgage. The Mortgagor's failure to comply with the provisions of this Paragraph shall constitute an Event of Default hereunder.

Notwithstanding the foregoing, Mortgagee acknowledges and consents to the lien of that certain Mortgage, Security Agreement and Financing Statement and Assignment of Leases and Rents (the "First Mortgage") and that certain Assignment of Lessor's Interest in Leases and Rents (the "First Assignment of Leases"), each dated as of even date herewith from Mortgagor to Mortgagee and acknowledges that the existence of the First Mortgage and the First Assignment of Leases and Rents as an encumbrance on the Premises does not constitute a default of the foregoing covenants of this Paragraph 9.

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10. Mortgagor shall keep and maintain the Premises free from the claim of all persons supplying labor or materials which will enter into the construction of any and all buildings or improvements now erected, being erected, or at any time hereafter erected on said Premises, notwithstanding by whom such labor or materials may have been contracted, by discharging the same of record (or otherwise furnishing a bond or other surety in form, amount and substance satisfactory to the Mortgagee while Mortgagor contests such lien with all due diligence). The Mortgagor's failure to comply with the provisions of this Paragraph 10 shall constitute an Event of Default hereunder.

11. If at any time the United States Government or any other governmental subdivision having jurisdiction shall require internal revenue or other documentary stamps hereon or on the Guaranty or shall require payment of the United States Interest Equalization Tax, if any, or similar tax upon the obligation secured hereby, then the same shall constitute a default hereunder, and, in addition to all other remedies available as a consequence of such default, the obligations due under the Guaranty shall be and become immediately due and payable (but no premium shall be collectible by the Mortgagee in connection therewith) at the election of the Mortgagee, sixty (60) days after mailing of notice of such election to Mortgagor, provided, however, said election and the right to elect shall be unavailing, and this Mortgage and the Guaranty shall be and remain in effect, if Mortgagor lawfully may pay for such stamps or such tax, including interest and penalties thereon, to or for the Mortgagee and does in fact pay, when payable, for all such stamps or such tax, as the case may be, including interest and penalties thereon; provided, further, however that if, in Mortgagor's opinion, the lien or priority of this Mortgage may be impaired, then in such event the sixty (60) day period referred to above shall be reduced to a thirty (30) day period. Mortgagor further agrees to deliver to the Mortgagee, at any time, within fifteen (15) days following demand therefor, evidence of citizenship and such other evidence as may be required by any governmental agency having jurisdiction in order to determine whether the obligation secured hereby is subject to or exempt from any such tax. The provisions of this Paragraph 11 shall survive payment in full of the obligations secured hereby.

12. Mortgagor shall indemnify and save the Mortgagee harmless from all costs and expenses, including attorneys' fees and costs of a title search, continuation of abstract and preparation of survey, incurred by reason of any action, suit, proceeding, hearing, motion or application before any court or administrative body in and to which the Mortgagee may be or become a party by reason hereof, or by reason of its interest hereunder, including, but not limited to, condemnation, bankruptcy, probate and administration proceedings, as well as any other of the foregoing wherein proof of claim is by law required to be filed or in which it becomes necessary to defend or uphold the terms of this Mortgage or otherwise purporting to affect the security hereof or the rights or powers of the Mortgagee, and all money paid or expended by the Mortgagee in this regard, together with interest thereon from date of such payment at the Default Rate set forth in said Other Notes, shall be additional obligations secured hereby and shall be without notice immediately due and payable by Mortgagor.

13. (a) Should said Premises or any part thereof, including any appurtenance thereto, any easement for the benefit thereof, or any right thereto, be taken or damaged, permanently or temporarily, by reason of any public or quasi-public improvement or condemnation or eminent domain proceeding or proceedings or in any other manner, the Mortgagee shall be entitled to all relief, compensation, award or payment therefor (including, but not limited to, those for severance and

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consequential damages and for change in grade of streets) and Mortgagor does hereby appoint the Mortgagee its attorney-in-fact, coupled with an interest, and authorizes, directs and empowers such attorney, at its option, to direct Mortgagor and its successors or assigns in any action or proceeding, to adjust or compromise any claim therefor and to collect and receive all proceeds thereof, to give proper receipts and acquittances therefor and, after deducting expenses of collection, to apply all the net proceeds as a credit upon any portion, as selected by Mortgagee, of the obligations secured hereby (but without payment of any prepayment premium therefor), notwithstanding the fact that the amount owing thereon may not then be due and payable or that the obligations are otherwise adequately secured. Mortgagor will give the Mortgagee prompt notice of the actual or threatened commencement of any such proceeding and will deliver to the Mortgagee copies of any and all papers served in connection with any such proceeding. Mortgagor further covenants and agrees to make, execute and deliver to the Mortgagee at any time or times, upon request, free, clear and discharged of any encumbrance of any kind whatsoever, any and all further assignments and/or other instruments deemed necessary by the Mortgagee for the purpose of validly and sufficiently assigning all such awards, payments and other compensation, heretofore or hereafter to be made, to the Mortgagor (including, but not limited to, the assignment of 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) for any taking, either permanent or temporary, under any such proceeding. Notwithstanding anything to the contrary in this Paragraph 13, provided no default or Event of Default then exists under the Guaranty, this Mortgage or any of the Second Priority Loan Documents, Mortgagor shall have the right to adjust and compromise the amount of any such award, but only upon first obtaining the prior written consent of the Mortgagee to such adjustment or compromise.

(b) Notwithstanding any provision herein to the contrary and in particular subparagraph (a) hereof, in the event of any damage or taking as therein described by eminent domain of less than the entire Premises, it is hereby understood, covenanted and agreed that Mortgagee shall make available the proceeds of any award received in connection with and in compensation for any such damage or taking for the purpose of restoring so much of the improvements within the Premises affected thereby, subject to the following conditions: (i) that no default or Event of Default then exists under the Guaranty, this Mortgage, the Second Priority Loan Documents, the Notes or the Other Loan Documents; (ii) that all leases affected in any way by such damage or taking shall continue in full force and effect; (iii) that Mortgagee shall first be given satisfactory proof that such improvements have been fully restored or that by the expenditure of such money will be fully restored, free and clear of all liens, except as to the lien of this Mortgage; (iv) that in the event such award shall be insufficient to restore or rebuild the said improvements, Mortgagor shall deposit promptly with Mortgagee funds which, together with the award proceeds, shall be sufficient to restore and rebuild the said premises; (v) that in the event Mortgagor shall fail within a reasonable time, subject to delays beyond its control, to restore or rebuild the said improvements, Mortgagee, at its option, may restore or rebuild the said improvements for or on behalf of the Mortgagor and for such purpose may do all necessary acts; (vi) that the excess of said award not necessary for completing such restoration shall be applied as hereinbefore provided as a credit upon any portion, as selected by Mortgagee, of the obligations secured hereby; (vii) that prior to the commencement of such restoration, Mortgagee shall have determined, in its sole discretion, that the restoration can be completed not later than six (6) months prior to the Maturity Date; and (viii) that any other conditions set

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forth in the First Mortgage have been satisfied. In the event any of the said conditions are not or cannot be satisfied, then the alternate disposition of such award as provided herein shall again become applicable. Under no circumstances shall Mortgagee become personally liable for the fulfillment of the terms, covenants and conditions contained in any of the said leases of the said Premises nor obligated to take any action to restore the said improvements.

14. Mortgagor, within five (5) days upon request by Mortgagee, will furnish to Mortgagee or a party designated by Mortgagee a written statement duly acknowledged of the amount due upon this Mortgage and whether any offsets or defenses exist against the obligations secured hereby.

15. If Mortgagor fails to make any payment or do any required act or if there occurs a default in any of the terms, covenants, or conditions as herein or in the Guaranty or in any of the Second Priority Loan Documents provided, then the Mortgagee may, but without obligation to do so, without notice to or demand upon Mortgagor, and whether electing to declare all of the obligations secured hereby due and payable or not, (a) make any payment or perform (or cause to be performed) any obligation of Mortgagor hereunder, or take whatever action in such manner and to such extent as Mortgagee may deem necessary to protect the security hereof or cure or attempt to cure any default by Mortgagor, without waiver of any other remedy, Mortgagee being authorized to enter upon the Premises subject to this Mortgage for such purposes, (b) commence, appear in and/or defend any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee hereunder, (c) pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of Mortgagee affects any part of the Premises subject to this Mortgage; and/or (d) make (without in any manner limiting Mortgagee's other rights hereunder to inspect the Premises and conduct environmental assessments thereon) an environmental assessment of the Premises, Mortgagee and its agents, contractors, engineers and consultants being authorized to enter upon the Premises for such purpose, and in exercising any such powers, may pay necessary expenses, employ counsel and environmental engineers and consultants and pay the fees and expenses of such counsel and engineers and consultants; all sums expended and acts performed by Mortgagee pursuant to this Paragraph 15 shall not relieve Mortgagor or any of its obligations hereunder and shall not be deemed a waiver of any default by Mortgagor hereunder, and the full amount of any such payment including the cost, expenses and attorneys' fees paid in connection with any thereof, shall be immediately due and payable and shall bear interest from the date thereof until paid at the lesser of the Default Rate set forth in said Guarantor Note and the highest rate permitted under applicable law, and all said costs, charges and expenses so incurred or paid, together with such interest, shall be a lien upon the Premises subject to this Mortgage and shall be deemed to be secured by this Mortgage. Unless Mortgagor has previously advised the Mortgagee in writing of the fact that Mortgagor is legally protesting or contesting such tax, assessment or lien and Mortgagor has, in connection therewith, complied with the requirements of the Mortgagee with regard to such protest or contest as the case may be, the Mortgagee shall be the sole judge of the legality and validity of any taxes, assessments or liens asserted against the said Premises, as well as of the state of repairs of any buildings or improvements thereon, and the necessity of incurring expenses for such repair, or the protection of said Premises or for the maintenance of said lien, and the payment or advancement thereof by the Mortgagee shall establish its right to recover the amount so paid or advanced with said interest. In any such event, in addition to the lien of this instrument, the Mortgagee shall be fully subrogated to all liens, rights, titles, powers, equities

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and interests securing or constituting the obligations, charges or claims so discharged.

16. The occurrence of any of the following shall constitute an "Event of Default" hereunder:

- (i) if a default or an Event of Default (as defined in the Other Notes) occurs under the Other Notes or the Other Loan Documents; or
- (ii) or if default be made in the performance or observance of any term, covenant, condition or warranty contained in the Guaranty, herein or in the Second Priority Loan Documents; or
- (iii) should proceedings be instituted for the foreclosure or collection of any mortgage, judgement or lien prior or subordinate to the lien of this Mortgage affecting the Premises; or
- (iv) if Mortgagor shall make a general assignment for the benefit of creditors, or shall file a voluntary petition in bankruptcy, or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking, consenting to, or acquiescing in, reorganization, arrangement, adjustment, composition, liquidation, dissolution or similar relief, under any present or future statute, law or regulation relating to bankruptcy, insolvency, reorganization or relief of debtors or if Mortgagor shall file an answer admitting or shall fail to deny the material allegations of a petition against it for any such relief, or if any such proceeding against Mortgagor seeking any such relief shall not have been dismissed within ten (10) days after the commencement thereof; or
- (v) if a trustee, receiver or liquidator of Mortgagor or any substantial part of its properties or assets shall be appointed with the consent or acquiescence of Mortgagor or if any such appointment, if not so consented to or acquiesced in, shall remain unvacated or unstayed for an aggregate of ten (10) days.

Upon the happening of any such event, or at any time thereafter unless cured to Mortgagee's satisfaction, as the case may be, the entire amount of the obligations and Liabilities or any portion thereof as selected by Mortgagee and secured hereby and all other sums due hereunder, under the Guaranty and any other document, instrument or agreement now or hereafter evidencing or securing the obligations, shall, without notice or demand of any kind to the Mortgagor or to any other person (a) automatically become immediately due and payable in the event of an occurrence under clause (iv) or (v) above and (b) at the option of Mortgagee, become immediately due and payable in the case of any other Event of Default, in each such case as fully and completely as if all of the said sums of money were originally stipulated to be paid on such day, anything in said Guaranty or in this Mortgage to the contrary notwithstanding, with reasonable attorneys' fees and without relief from valuation or appraisal laws. In addition, while any Event of Default exists, such sum and all such other sums shall bear interest at the Default Rate (as defined in the Other Notes), such interest to be paid on demand. The remedies provided under this Paragraph 16 shall be in addition to and not a limitation on any other rights or remedies contained in this Mortgage or available as a result of any default by Mortgagor hereunder.

17. (a) Upon an Event of Default, at any time thereafter, Mortgagee may enter upon and take possession of the Premises as a

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matter of right and without notice except as specifically provided herein, a right to which Mortgagor hereby consents without regard to value of the Premises or the solvency of any person or persons who may be liable for payment of the obligations and regardless of whether Mortgagee has an adequate remedy at law. The Mortgagor hereby expressly waives all right to the possession, income, and rents of the Premises from and after the occurrence of any Event of Default and Mortgagor expressly acknowledges and agrees, at and following any such occurrence, that Mortgagee or any receiver shall have and is granted the right and power to complete any construction in progress thereon at the expense of Mortgagor, to lease the same either in its own name or that of Mortgagor, to collect the rents, issues and profits thereof and to apply same, after payment of all necessary charges and expenses, including all commissions, either for the care, operation and preservation of the Premises or, at the election of the Mortgagee in its sole and unreviewable discretion, on account of the obligations secured hereby. The Mortgagee, in addition to the rights provided under the Guaranty and the Second Priority Loan Documents, is also hereby granted full and complete authority to enter upon the Premises, employ watchmen to protect the Premises from depredation or injury and to preserve and protect the Premises, and to continue any and all outstanding contracts for the erection and completion of improvements to the Premises, to make and enter into any contracts and obligations wherever necessary in its own name, and to pay and discharge all debts, obligations and liabilities incurred thereby, all at the expense of the Mortgagor. All such expenditures by the Mortgagee shall be secured by this Mortgage for all purposes.

(b) Upon the occurrence of any Event of Default, the Mortgagor shall also have the right, immediately or at any time thereafter (in Mortgagee's sole discretion), to foreclose this Mortgage. Upon the filing of any complaint for that purpose, the court in which such complaint is filed may, upon application of the Mortgagee or at any time thereafter appoint a receiver for the benefit of Mortgagee, with power to take possession, charge and control of the Premises, to keep the building thereon insured and in good repair and to collect the rents, issues and profits of the Premises, due and becoming due during the pendency of such foreclosure suit as well as during the period of redemption from the sale under such foreclosure, such rents and profits being hereby expressly assigned and pledged as additional security for the payment of the obligations secured by this Mortgage. The appointment of such receiver shall be made either before or after foreclosure sale, and without notice to the Mortgagor or to any party claiming under the Mortgagor, without regard to the value of the Premises or the solvency of any person or persons liable for the payment of the obligations secured by this Mortgage, and regardless of whether Mortgagee has an adequate remedy at law. The Mortgagor for itself and any subsequent owner hereby waives any and all defenses to the application for a receiver as above and hereby specifically consents to such appointment without notice but nothing herein contained is to be construed to deprive the holder of the Mortgage of any other right, remedy or privilege it may now have under the law to have a receiver appointed. The provision for the appointment of a receiver and the assignment of such rents, issues and profits is made an express condition upon which the loan hereby secured is made. The rights and remedies herein provided for shall be deemed to be cumulative and in addition to, and not in limitation of, those provided by law, and if there be no receiver so appointed, Mortgagee may proceed to collect the rents, issues and profits from the Premises. From any said rents, issues and profits collected by the receiver or by the Mortgagee prior to a foreclosure sale, shall be deducted the cost of collection thereof, including but not limited to real estate commissions,

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receiver's and attorney's fees and court costs and the remainder shall be applied against the obligations hereby secured.

(c) That in case of foreclosure of this Mortgage in any court of law or equity, whether or not any order or decree shall have been entered therein, and to the extent permitted by law, all expenses of every kind paid or incurred by the Mortgagee for the enforcement, protection or collection of this security, including without limitation, court costs, attorneys' fees of the plaintiff in such proceeding, stenographers' fees and for all moneys expended for documentary evidence, the cost of any environmental assessments of the Premises done in anticipation of foreclosure and the cost of a complete abstract of title and title report for the purpose of such foreclosure, shall be paid by the Mortgagor and be secured by the lien hereunder; and, to the extent permitted by law, there shall be included in any judgment or decree foreclosing this Mortgage and be paid out of said rents, issues and profits or out of the proceeds of any sale made in pursuance of any such judgment or decree: (a) all costs and expenses of such suit or suits, advertising, sale and conveyance including attorneys', solicitors' and stenographers' fees, outlays for documentary evidence and the cost of said abstract, examination of title and title report; (b) all moneys advanced by Mortgagee, if any, for any purpose authorized in this Mortgage, with interest as herein provided; (c) all the accrued interest remaining unpaid on the obligations hereby secured; (d) all the obligations and Liabilities remaining unpaid. The overplus of the proceeds, if any, shall be paid to the said Mortgagor on reasonable request, or as the court may direct.

(d) That in case of any foreclosure sale of the Premises, the same may be sold in one or more parcels in such manner and order as Mortgagee in its sole discretion may elect.

(e) If any Event of Default shall occur, then, whether before or after institution of legal proceedings to foreclose the lien of this Mortgage or before or after the sale thereunder, the Mortgagee shall be entitled, in its discretion, to do all or any of the following: (i) enter and take actual possession of the Premises, the Rents (defined below), the Leases (defined below) and other collateral relating thereto or any part thereof personally, or by its agents or attorneys, and exclude the Mortgagor therefrom; (ii) with or without process of law, enter upon and take and maintain possession of all of the documents, books, records, papers and accounts of the Mortgagor relating thereto; (iii) as attorney-in-fact or agent of the Mortgagor, or in its own name as mortgagee and under the powers herein granted, hold, operate, manage and control the Premises, the Rents, the Leases and other collateral relating thereto and conduct the business, if any, thereof either personally or by its agents, contractors or nominees, with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment of the Rents, the Leases and other Premises relating thereto (including actions for the recovery of rent, actions in forceable detainer and actions in distress of rent); (iv) cancel or terminate any Lease or sublease for any cause or on any ground which would entitle the Mortgagor to cancel the same; (v) elect to disaffirm any Lease or sublease made subsequent hereto or subordinated to the lien hereof; (vi) make all necessary or proper repairs, decoration, renewals, replacements, alterations, additions, betterments and improvements to the Premises that, in its discretion, may seem appropriate; (vii) insure and reinsure the Premises for all risks incidental to the Mortgagee's possession, operation and management thereof; and (viii) receive all such Rents and proceeds, and perform such other acts in connection with the management and operation of the Premises, as the Mortgagee in its discretion may deem proper, the Mortgagor hereby granting the

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Mortgagee full power and authority to exercise each and every one of the rights, privileges and powers contained herein at any and all times after any Event of Default without notice to the Mortgagor or any other person. The Mortgagee, in the exercise of the rights and powers conferred upon it hereby, shall have full power to use and apply the Rents to the payment of or on account of the following, in such order as it may determine: (a) to the payment of the operating expenses of the Premises, including the cost of management and leasing thereof (which shall include reasonable compensation to the Mortgagee and its agents or contractors, if management be delegated to agents or contractors, and it shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into Leases), established claims for damages, if any, and premiums on insurance hereinabove authorized; (b) to the payment of taxes, charges and special assessments, the costs of all repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements of the Premises, including the cost from time to time of installing, replacing or repairing the Premises, and of placing the Premises in such condition as will, in the judgment of the Mortgagee, make it readily rentable; (c) to the payment of the obligations secured hereby; and (d) to the payment of any other matters as permitted hereunder, under the Guaranty or under the Second Priority Loan Documents.

(f) Whenever there exists an Event of Default hereunder, the Mortgagee may exercise from time to time any rights and remedies available to it under applicable law upon default in payment of the obligations and/or the Liabilities under the Guaranty. The Mortgagor shall, promptly upon request by the Mortgagee, assemble the Premises and make it available to the Mortgagee at such place or places, reasonably convenient for both the Mortgagee and the Mortgagor, as the Mortgagee shall designate. Any notification required by law of the intended disposition by the Mortgagee of any of the Premises shall be deemed reasonably and properly given if given at least five days before such disposition. Without limiting the foregoing, whenever there exists an Event of Default hereunder, the Mortgagee may, with respect to so much of the Premises as is personal property under applicable law, to the fullest extent permitted by applicable law, without further notice, advertisement, hearing or process of law of any kind, (i) notify any person obligated on the Premises to perform directly for the Mortgagee its obligations thereunder, (ii) enforce seizure of any of the Premises by suit or otherwise, and surrender, release or exchange all or any part thereof or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto, (iii) take control of any proceeds of the Premises, (iv) enter upon any premises where any of the Premises may be located and take possession of and remove such Premises, (v) sell any or all of the Premises, free of all rights and claims of the Mortgagor therein and thereto, at any public or private sale, and (vi) bid for and purchase any or all of the Premises at any such sale. Any proceeds of any disposition by the Mortgagee of any of the Premises may be applied by the Mortgagee to the payment of expenses in connection with the Premises, including attorneys' fees and legal expenses, and any balance of such proceeds shall be applied by the Mortgagee toward the payment of such of the obligations and in such order of application as the Mortgagee may from time to time, in its sole and unreviewable discretion, elect. The Mortgagee may exercise from time to time any rights and remedies available to it under the Uniform Commercial Code or other applicable law as in effect from time to time or otherwise available to it under applicable law. The Mortgagor hereby expressly waives presentment, demand, notice of dishonor, protest and notice of protest in connection with the Other Notes and the Guaranty and, to the fullest extent permitted by applicable law,

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any and all other notices, demands, advertisements, hearings or process of law in connection with the exercise by the Mortgagee of any of its rights and remedies hereunder. The Mortgagor hereby constitutes the Mortgagee its attorney-in-fact with full power of substitution to take possession of the Premises upon any Event of Default and, as the Mortgagee in its sole discretion deems necessary or proper, to execute and deliver all instruments required by the Mortgagee to accomplish the disposition of the Premises; this power of attorney is a power coupled with an interest and is irrevocable while any of the obligations are outstanding or remain unperformed.

(g) No remedy or right of the Mortgagee hereunder or under the Guaranty or any of the other Second Priority Loan Documents, or otherwise, or available under applicable law, shall be exclusive of any other right or remedy, but each such remedy or right shall be in addition to every other remedy or right now or hereafter existing under any such document or under applicable law or in equity. The failure of the Mortgagee to exercise the option for acceleration of maturity and/or foreclosure following any default as aforesaid or to exercise any other option granted to the Mortgagee hereunder in any one or more instances, or the acceptance by Mortgagee of partial payments hereunder shall not constitute a waiver of any such default, nor extend or affect the grace period, if any, but such option shall remain continuously in force, so long as such default is not cured to Mortgagee's satisfaction. Acceleration of maturity, once claimed hereunder by Mortgagee, may, at the option of Mortgagee, be rescinded by written acknowledgement to that effect by the Mortgagee, but the tender and acceptance of partial payments alone shall not in any way affect or rescind such acceleration of maturity, nor extend or affect the grace period, if any.

18. The Mortgagee in making any payment herein and hereby authorized, in the place and stead of Mortgagor: (i) relating to taxes, assessments, water rates or charges, sewer rates or charges and other governmental or municipal charges, fees, fines, impositions or liens asserted against the said Premises, may do so according to any bill, statement or estimate procured from the appropriate public, quasi-public or private office or report furnished by a realty tax service without inquiry into the accuracy of the bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (ii) or relating to any apparent or threatened adverse title, lien, statement of lien, encumbrance, deed of trust, claim or charge, shall be the sole judge of the legality or validity of same; (iii) or otherwise relating to any other purpose herein and hereby authorized, but not enumerated in this Paragraph 18, may do so whenever, in its sole judgment and discretion, such advances are necessary or desirable to protect the full security intended to be created by this Mortgage. Provided further that in connection with any such advance, the Mortgagee, at its option, may and is hereby authorized to obtain a continuation report of title prepared by a title insurance company, the cost and expense of which, with interest at the Default Rate set forth in the Other Notes, shall be repayable by Mortgagor immediately without demand and shall be secured hereby.

19. The Mortgagor hereby presently, absolutely and unconditionally, assigns to the Mortgagee all of the rents, royalties, bonuses, issues, profits, revenues, income, and other benefits derived from the Premises or arising from the use or enjoyment of all or any portion thereof or from any lease or agreement pertaining thereto, and liquidated damages following default under such leases, and all proceeds payable under any policy of insurance covering loss of rents resulting from untenability caused by damage to all or any part of the Premises, together with any and all rights that Mortgagor may have against any tenant under such leases or any subtenants or

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occupants of all or any part of the Premises (hereinafter called the "Rents") to be applied by the Mortgagee in payment of the obligations secured hereby. Notwithstanding any provision of this Mortgage or any other of the Loan Documents which might be construed to the contrary, the assignment in this Paragraph 19 is a present, absolute and unconditional assignment and not merely a security interest; however, the Mortgagee's rights as to the assignment shall be exercised only upon the occurrence of an Event of Default under any of the Loan Documents. Prior to an Event of Default, Mortgagor shall have a license to collect and receive all Rents as trustee for the benefit of the Mortgagee and Mortgagor, and Mortgagor shall apply the funds so collected as provided in that certain Assignment of Lessor's Interest in Leases and Rents, dated of even date herewith executed by Mortgagor to Mortgagee. Mortgagor hereby presently, absolutely and unconditionally assigns to the Mortgagee all existing and future leases, including subleases thereof, and any and all extensions, renewals, modifications, and replacements thereof, upon any part of the Premises (the "Leases"). Mortgagor hereby further assigns to the Mortgagee all guaranties of tenants' performance under the Leases. Prior to an Event of Default, Mortgagor shall have the right, without joinder of the Mortgagee, to enforce the Leases, unless the Mortgagee directs otherwise. As of the date of this Mortgage, as additional security, Mortgagor hereby assigns to Mortgagee all written and oral leases, whether now in existence or which may hereafter come into existence during the term of this Mortgage, or any extension hereof, and the rents thereunder, covering the Premises. The collection of rents by the Mortgagee shall in no way waive the right of the Mortgagee to foreclose this Mortgage in the event of said default or defaults.

20. Upon request by the Mortgagee, Mortgagor shall deliver to the Mortgagee executed originals (or certified copies of all Leases that have heretofore been executed and delivered to Mortgagee) of all Leases, any other ground leases or primary lease, if any, affecting the Premises and copies of all records relating thereto.

21. Upon the occurrence of an Event of Default, Mortgagor hereby authorizes and directs the tenants under the Leases to pay Rents to the Mortgagee upon written demand by the Mortgagee without further consent of Mortgagor, and the tenants may rely upon any written statement delivered by the Mortgagee to the tenants. Any such payment to the Mortgagee shall constitute payment to Mortgagor under the Leases.

22. The lien herein created shall take precedence over and be a prior lien to any other lien of any character, whether vendor's, materialman's or mechanic's lien, or other lien, now or hereafter incurred on or affecting the Premises herein described, except for the lien of the First Mortgage and any Permitted Encumbrances. To the extent that the money loaned or advanced by the Mortgagee as set forth herein has been used directly to pay off and satisfy, and take up in whole or in part any outstanding lien and encumbrance heretofore existing on said Premises, the Mortgagee shall be and is fully subrogated to any and all rights, superior titles, liens and equities owned or claimed by any owner or holder of said outstanding liens or encumbrances, no matter how remote and regardless of whether said liens or encumbrances are acquired by assignment or are released by the holder thereof upon payment. It is further covenanted and agreed that the security herein given and the lien hereby created shall not affect or be affected by any other further security taken or to be taken or released or to be released for the same obligations or any part thereof. Mortgagor further agrees that if it becomes necessary for the Mortgagee to advance any sum greater than the amount of the Liabilities (which amount may be for taking up vendors' or other liens, past due taxes, insurance premiums,

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liens for labor or materials, for procuring deeds or any other instruments to protect title of Mortgagor or the lien of this Mortgage or for any other purpose provided herein), it may do so and this Mortgage shall secure such advancement which Mortgagor hereby agrees to pay upon demand.

23. In the event the ownership of the Premises becomes vested by operation of law or otherwise in an entity other than Mortgagor, Mortgagee is hereby authorized and empowered, without notice to Mortgagor, to deal with such successor in interest with reference to the Premises, or the obligations secured hereby, or with reference to any of the terms, covenants or conditions hereof, as fully and to the same extent as it might with the Mortgagor, without in any way releasing, vitiating, modifying, affecting or discharging Mortgagor's liability or undertakings hereunder or under the Guaranty. No sale or transfer of the Premises or release of any person liable for any of the obligations secured hereby, and no forbearance on the part of Mortgagee and no extension of the time for the payment of the obligations secured hereby given by Mortgagee shall operate to vitiate, release, discharge, modify or affect, in whole or in part, the original liability of Mortgagor hereunder.

24. The Mortgagee may, without notice and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior deeds of trust or other liens thereon, release any part of the security described herein (including without limitation a release pursuant to Section 1.4 of the Other Notes) or may release any person liable for any obligations secured hereby without in any way affecting the priority or validity of the lien of this Mortgage, to the full extent of the obligations remaining unpaid or unperformed hereunder, upon any part of the security not expressly released. The Mortgagee may also agree with any party obligated on said obligations or having any interest in the obligations secured hereby, to extend the time for payment of any part or all of the obligations secured hereby and such agreement shall not, in any way, vitiate, release, modify, affect, discharge or impair the lien of this Mortgage, but shall extend the same as against the title of all parties having any interest in said security, which interest is subject to this Mortgage.

25. In the event the Mortgagee (a) releases, as aforesaid, any part of the security described herein or any person liable for any obligations secured hereby; (b) grants an extension of time for any payments of the debt secured hereby; (c) takes other or additional security for the payment thereof; (d) waives or fails to exercise any right granted herein or in said Guaranty, said act or omission shall not release the Mortgagor, subsequent purchasers of the Premises or any part thereof, or makers or sureties of this Mortgage or of said Guaranty, under any covenant of this Mortgage or of said Guaranty, nor preclude the Mortgagee from exercising any right, power or privilege herein granted or intended to be granted in the event of any other default then made or any subsequent default.

26. Mortgagor agrees to give immediate notice by mail to the Mortgagee of any conveyance, transfer or change of ownership, directly or indirectly, or of occupancy, or of use of the Premises.

27. That nothing herein contained nor any transaction related thereto shall be construed or shall so operate either presently or prospectively, (a) to require Mortgagor to pay interest at a rate greater than is now lawful in such case to contract for, but shall require payment of interest only to the extent of such lawful rate, or (b) to require Mortgagor to make any payment or do any act contrary to law, but if any clause and provision herein contained shall otherwise so operate to

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invalidate this Mortgage, in whole or in part, then such clauses and provisions only shall be held for naught as though not herein contained and the remainder of this Mortgage shall remain operative and in full force and effect.

28. That at the option of Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not in respect to the priority of entitlement to insurance proceeds or any award in condemnation) to any and all leases, of all or any part of the Premises, upon the execution by Mortgagee and recording thereof, at any time hereafter, in the Office of the Recorder, in and for the county wherein the Premises are situated, of a unilateral declaration to that effect.

29. To the fullest extent permitted by law with respect to the debt secured hereby or any renewals or extensions thereof, Mortgagor and each of the Beneficiary's general partners jointly and severally waives and renounces each for himself and family, any and all homestead and exemption rights, as well as the benefit of all valuation and appraisal privileges, and stay, redemption and moratoriums under or by virtue of the constitution and laws of the State of Illinois, of any other state or of the United States now existing or hereafter enacted.

30. That Mortgagor within five (5) days upon request by mail shall execute, acknowledge and deliver to Mortgagee a security agreement, financing statement or other similar security instrument, in form satisfactory to the Mortgagee, covering all property, of any kind whatsoever owned by the Mortgagor, which, in the sole opinion of Mortgagee, is essential to the operation of the Premises and concerning which there may be any doubt whether the title to same has been conveyed by and included within this Mortgage under the laws of the State of Illinois and will further execute, acknowledge and deliver any financing statement, affidavit, continuation statement or certificate or other document as Mortgagee may request in order to perfect, preserve, maintain, continue and extend the security interest under and the priority of such security instrument. Mortgagor further agrees to pay to Mortgagee on demand all costs and expenses incurred by Mortgagee in connection with the preparation, execution, recording, filing and refiling of any such document.

31. That the Premises being located in the State of Illinois this Mortgage and the rights and obligations hereby secured shall, without regard to the place of contract or payment, be construed and enforced according to the laws of said state.

32. Any notice which a party is required or may desire to give either or any of the others shall be in writing and shall be sent by United States certified mail, return receipt requested, postage prepaid, or by Federal Express or similar generally recognized overnight courier regularly providing proof of delivery, addressed to the parties as set forth above (subject to the right of any party to designate a different address for its receipt of notices hereunder within the 48 contiguous continental United States of America by notice duly given). Any notice so given shall be deemed to have been given as of the first to occur of (i) actual delivery or (ii) if mailed, the second business day after being deposited in the U.S. Mails, proper postage prepaid, addressed as provided above and (iii) if sent by overnight courier, on the first business day after being delivered to such courier with all charges for overnight delivery having been prepaid.

33. That all the covenants hereof shall run with the land.

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34. That the Mortgagee and any persons authorized by the Mortgagee shall have the right to enter and inspect the Premises at all reasonable times; and that at any time after an Event of Default by the Mortgagor in the performance of any of the terms, covenants or provisions of this Mortgage or at any time after a default by the Mortgagor in the performance of any of the terms, covenants or provisions of the Guaranty, the Mortgagor shall employ for the duration of such Event of Default or default, as managing agent of the premises, any person from time to time designated by the Mortgagee.

35. That the Mortgagee shall have the right from time to time to sue for any sums whether for interest, damages for failure to pay the obligations or Liabilities or any installment or portion thereof, taxes, or any other sums required to be paid under the terms of this Mortgage, as the same become due, without regard to whether or not the obligations evidenced by the Guaranty and secured by this Mortgage shall be due, without prejudice to the right of the Mortgagee thereafter to bring an action of foreclosure, or any other action, for a default or defaults by the Mortgagor existing at the time such earlier action was commenced.

36. Mortgagor hereby acknowledges, confirms and recognizes that, in accepting the Guaranty, Mortgagee is relying to a material extent upon the business expertise of the parties comprising Beneficiary and Beneficiary's Constituent Partners (hereinafter defined) and upon the continuing interest which Mortgagor and Beneficiary and Beneficiary's Constituent Partners thereof have in the Premises. Accordingly, neither Mortgagor nor any of Beneficiary's partners or any of the partners of such partners, or any partners of the partners of such partners (collectively, the "Beneficiary's Constituent Partners") shall, directly or indirectly, voluntarily or involuntarily (i) sell, assign, convey, transfer or dispose of all or any portion of its interest in the Premises, including, without limitation, any sale, assignment, conveyance, transfer or disposition of any portion of the beneficial interest in, to and under the LaSalle Trust or any change in the composition, percentage ownership interests or control of Beneficiary or any of Beneficiary's Constituent Partners, without the prior written consent of Mortgagee, which consent may be granted or withheld in Mortgagee's sole discretion, or (ii) further encumber or suffer to exist any mortgage lien or other lien, inferior or superior to the lien of the Second Priority Loan Documents, against all or any portion of the Premises or any interest or estate therein, other than the lien of the First Mortgage, without the prior written consent of Mortgagee, which consent may be granted or withheld in Mortgagee's sole discretion. A violation of these provisions shall constitute an Event of Default and upon such Event of Default or at any time thereafter, Mortgagee, in addition to any other remedies available as a consequence of such Event of Default, at its option, may declare immediately due and payable the entire obligations together with accrued fixed interest and all other sums due hereunder and under the Guaranty.

Notwithstanding the foregoing, (i) transfers of limited partnership interests in TAG Real Estate Venture, an Illinois limited partnership ("TAG") among present and future employees of The Alter Group, Ltd. may be effected without the prior consent of the Mortgagee provided that no such transfer shall increase the aggregate percentage interest of the limited partners in the equity or in the profits or losses of TAG; (ii) transfers of limited partnership interests in Chai Venture, an Illinois limited partnership ("Chai Venture") among trusts benefitting members of William A. Alter's family may be effected without the prior consent of the Mortgagee provided that no such transfer shall increase the aggregate percentage interest of the limited partners in the equity or in the profits or losses of Chai

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Venture: (iii) acquisitions of partnership interests in Beneficiary or Beneficiary's Constituent Partners by either William A. Alter or Michael Alter or entities owned and controlled by William A. Alter and/or Michael Alter may be effected without the prior consent of Mortgagee; and (iv) the Mortgagee shall not unreasonably withhold its consent to transfers of partnership interests in Beneficiary among William A. Alter, Michael Alter, and entities owned and controlled by William A. Alter and/or Michael Alter provided (A) that at the time of any such proposed transfer, there does not then exist a default or an Event of Default under the Guaranty, this Mortgage, the Second Priority Loan Documents, the Other Notes or the Other Loan Documents and (B) at the request of the Mortgagee, the transferee of any general partnership interest in Beneficiary shall acknowledge in writing the obligations of Mortgagor, Beneficiary and Beneficiary's general partners under the Guaranty, this Mortgage and the Second Priority Loan Documents (subject to the nonrecourse provisions contained therein). No such transfer shall affect the liability of William A. Alter or The Alter Group, Ltd. under the Alter Guaranty or under that certain Indemnity Agreement, dated of even date herewith, executed by William A. Alter and The Alter Group, Ltd. to Mortgagee or the liability of the Mortgagor, the Beneficiary or the current general partners of the Beneficiary under the Guaranty, this Mortgage or the Second Priority Loan Documents (subject to the nonrecourse provisions contained therein).

37. That this Mortgage cannot be changed except by an agreement in writing, signed by the party against whom enforcement of the change is sought.

38. Mortgagor warrants that it owns all equipment used in the maintenance and operation of any building on the Premises, except tenants' trade fixtures and tenants' personal property used in the operation of their businesses, free and clear of any and all liens and/or security interests, except for the security interest and lien granted by this Mortgage, the Loan Documents and the Second Priority Loan Documents. Mortgagor further warrants that, as to all equipment hereafter brought on the Premises to be used in the operation and maintenance of any building on the Premises, except tenants' trade fixtures and tenants' personal property used in the operation of their businesses, it will own all such equipment at the time such equipment is brought on the Premises and thereafter free and clear of any and all liens and/or security interests except for the lien and security interest granted by this Mortgage, the Loan Documents and the Second Priority Loan Documents. Mortgagor further warrants that it has the right to convey a security interest in such property to the Mortgagee.

39. It is agreed that this Mortgage will also secure such future or additional advances as Mortgagee may make, whether such future advances are obligatory or are to be made at Mortgagee's option, to the Other Borrowers or their respective successors and assigns pursuant to the Other Notes and the Other Loan Documents, for any purpose, provided that all those advances are to be made within twenty (20) years from the date of this Mortgage, or within such lesser period of time as may be provided after the date of this Mortgage by law as prerequisite for the sufficiency of actual notice or record notice of the optional future or additional advances as against the rights of creditors or subsequent purchasers for valuable consideration, to the same extent as if such future advances were made on the date of this Mortgage. THE TOTAL AMOUNT OF INDEBTEDNESS SECURED BY THIS MORTGAGE MAY DECREASE OR INCREASE FROM TIME TO TIME, BUT THE TOTAL UNPAID BALANCE SO SECURED AT ANY ONE TIME MAY NOT EXCEED \$117,000,000.00, PLUS INTEREST, PLUS ANY DISBURSEMENTS FOR TAXES AND INSURANCE ON THE PREMISES, AND ANY OTHER SUMS ADVANCED IN ACCORDANCE WITH THE TERMS HEREOF OR ANY OF THE SECOND PRIORITY

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LOAN DOCUMENTS TO PROTECT THE SECURITY OF THIS MORTGAGE OR ANY OF THE SECOND PRIORITY LOAN DOCUMENTS. Mortgagor hereby agrees that it shall not execute or file for record any notice limiting the maximum principal amount that may be so secured, and that no such notice shall be of any force and effect whatsoever unless Mortgagee shall have consented thereto in writing signed by Mortgagee and recorded in the public records of the county in which the Land is situated.

40. (a) Mortgagor represents and Beneficiary warrants that on the date hereof neither this Mortgage, nor the Premises, nor the contemplated use of the improvements on the Premises, constitute a breach of, or a violation of, any agreements, deeds, licenses, permits, covenants, conditions, easements, or restrictions, whether of record or not, affecting or binding upon the Premises; that any such easements burdening the Premises do not affect in any way the buildings located on the Premises; and Mortgagor covenants and agrees that it will do all things necessary and will take all action necessary to prevent any such breach or violation from hereafter occurring and to prevent such easements from adversely affecting the integrity and structural condition of said buildings.

(b) The Mortgagor shall at all times keep, observe, comply with, and perform all of the terms, covenants, conditions and restrictions contained in any agreements, easements, deeds, licenses, permits, covenants, conditions, restrictions, or other instruments imposing conditions and restrictions on the use and occupancy of the Premises or otherwise affecting the Premises, and, except for service agreements executed by the Mortgagor in the ordinary course of operating the Premises which are, by their terms, cancelable upon no longer than thirty (30) days prior notice, the Mortgagor shall not waive or modify any of the terms of said agreements, easements, covenants, conditions, restrictions, deeds, licenses, permits or other instruments or the rights created thereby or cancel or surrender the same or release and discharge any party thereunder. The Mortgagor further covenants that it will not do or permit anything to be done, the doing of which, or refrain from doing anything, the omission of which, will impair or tend to impair the security of this mortgage or will be grounds for declaring a default under any such document. The Mortgagor shall take all necessary action to effect the performance of all of the obligations of the other parties to and the persons bound by the said agreements, easements, deeds, covenants, conditions, restrictions, permits, licenses and other instruments. The Mortgagor shall not give any consents or approvals required or permitted under any such agreements, easements, deeds, covenants, conditions, restrictions, permits, licenses and other instruments, without, in each instance, obtaining the prior written consent of the Mortgagee. The Mortgagor shall indemnify the Mortgagee against all actions, proceedings, costs (including, without limitation, attorneys fees and disbursements), claims and damages incurred or sustained by it in connection with the nonpayment of any charge or the non-observance or non-performance of any of the aforesaid terms, covenants, conditions, and restrictions.

(c) The Mortgagor will promptly give to the Mortgagee copies of all notices (including notices of any defaults), demands, requests, consents, statements, authorizations, designations, or other communications which it shall give or receive under any of the aforesaid agreements, easements, deeds, covenants, conditions, restrictions, permits, licenses and other instruments.

41. Intentionally Omitted.

42. That as a special inducement to the Mortgagee accepting the Guarantee secured hereby, and making the loans evidenced by

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the Other Notes, from and after the date hereof until the date on which the obligations evidenced by the Guaranty and all other sums secured hereby shall be fully repaid and this Mortgage shall be fully satisfied of record, Mortgagor covenants and agrees not to enter into any lease, license, rental or other agreement affecting the use or occupancy of all or any portion of the Premises without first submitting the same to the Mortgagee for its approval and without first securing the Mortgagee's express written consent thereto. A failure, refusal or neglect on Mortgagor's part to comply with the provisions of this paragraph shall constitute an Event of Default hereunder and, at Mortgagee's option, all obligations secured hereby, all accrued interest thereon together with all other sums due hereunder and under the Guaranty shall at once without notice become immediately due and payable.

43. That Mortgagor and all subsequent owners of the Premises shall keep and maintain full and correct books and records showing in detail the earnings and expenses of said Premises and shall permit Mortgagee or its representatives to examine such books and records and all supporting vouchers and data at any time during normal business hours and from time to time on request at its offices, hereinbefore identified, or at such other location as may be mutually agreed upon. Within the time periods set forth in the Escrow Agreement (as defined in the Other Notes), Mortgagor will furnish to Mortgagee the statements required by the Escrow Agreement. On every January 1, April 1, July 1 and October 1 until such time as the obligations secured hereby are paid in full, Mortgagor shall deliver to Mortgagee, to the extent not already delivered pursuant to the First Mortgage an affidavit in the form as that attached hereto as Exhibit C, which affidavit shall be executed by an executive officer (who shall be satisfactory to Mortgagee, acting reasonably) of the management company(ies) for the Premises and the rent roll attached to such affidavit shall provide the name of the tenant, the space occupied, the date and terms of such lease, the amount of annual rent and additional rental and all renewal or termination options. In the event that the Mortgagor shall refuse or fail to furnish any statement as aforescribed after demand, or in the event such statement shall be willfully or negligently inaccurate or false, or in the event of the failure of Mortgagor or any subsequent owner to permit the holder of this Mortgage it is representative to inspect the Premises or the said books and records on request in accordance herewith, Mortgagee may consider such acts of Mortgagor as an Event of Default hereunder and proceed in accordance with the rights and remedies afforded in at law and under the provisions of this Mortgage, including, without limitation, the right to perform an audit and charge the cost of such audit to the Mortgagor.

44. That in the event Mortgagor shall hereafter sell and lease back all or any part of the Premises and if, either the lien of the within Mortgage shall be or shall hereafter have been made subordinate to any occupancy leases or subleases of the Premises, or the holder of the within Mortgage shall have granted non-disturbance to such leases or subleases, then the said leaseback and any mortgage upon said leaseback either (a) shall be made subordinate to said occupancy leases and subleases, or (b) shall provide for non-disturber of said leases and subleases, and all said leases and subleases shall provide for attornment to the lessor under said leaseback and any mortgagee of the leaseback as well as to the Mortgagee hereunder.

45. (a) Notwithstanding any provisions in the Guaranty, in this Mortgage or any other Second Priority Loan Document to the contrary (except as provided in the immediately succeeding subparagraphs (b) and (c) hereof), it is expressly understood and agreed that if Mortgagee at any time takes action to enforce the collection of the obligations evidenced by the Guaranty,

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Mortgagee will proceed to foreclose this Mortgage or to enforce any other rights and remedies under this Mortgage or the Loan Documents instead of instituting suit upon the Guaranty. If a lesser sum is realized from the foreclosure of this Mortgage and sale of the Premises than the amount then due and owing under the Guaranty and this Mortgage, Mortgagee will never (except as provided in the succeeding subparagraphs (b) and (c) hereof) institute any action, suit, claim or demand in law or in equity against Mortgagor for or on account of the deficiency.

(b) Nothing contained in the immediately preceding subparagraph (a) will in any way affect or impair (i) the lien of this Mortgage or any representation or warranty of title made in this Mortgage which will remain in full force and inure to the benefit of Mortgagee and to the benefit of any insurer of title to the Premises; (ii) Mortgagee's rights under any master lease, indemnity or guarantee given in connection with the obligations evidenced by the Guaranty or the Other Notes notwithstanding that some or all of the partners of such guarantors may be the same people or entities as Mortgagor, Beneficiary and Beneficiary's Constituent Partners; or (iii) Mortgagee's right to present and collect on any letter of credit given in connection with the obligations evidenced by the Guaranty; or (iv) Mortgagor's personal liability for the diminution of the value(s) of the Premises if, at the time of acceleration of the obligations or foreclosure of this Mortgage and sale of the Premises, Mortgagor is in default under any of the provisions of Paragraphs 52 and 53 of this Mortgage and such default has an adverse effect on the value of the Premises.

(c) Further, the following are excluded and excepted from the provisions of the preceding subparagraph (a) and Mortgagee may recover personally against Mortgagor and Beneficiary's partners and its constituent partners for the following:

(1) all losses, damages or liabilities suffered by Mortgagee arising out of any fraud or wilful or intentional misrepresentations by Mortgagor or any of Mortgagor's partners or principals in connection (i) with Mortgagor's performance or fulfillment of any of Mortgagee's conditions to or requirements in advancing the obligations evidenced by the Guaranty or otherwise with Mortgagor's inducements to Mortgagee to accept such obligations, (ii) with the execution and delivery of the Guaranty, this Mortgage or any of the Loan Documents or the Second Priority Loan Documents; (iii) with the making of any representations or warranties (other than the representations and warranties of title which are otherwise excluded from exculpation in the preceding subparagraph (a)) contained in the Loan Documents; or (iv) with Mortgagor's performance of any of its obligations under such documents;

(2) all rents and other revenues, payments or reimbursements ("Income") of any kind whatsoever (including all payments and contributions from tenants for taxes, insurance, operating expenses and common area maintenance charges) derived from the Premises after a default or Event of Default by Mortgagor (whether or not notice of such default or Event of Default has been given) under the Guaranty, this Mortgage or any of the Second Priority Loan Documents or on deposit on the date such default or Event of Default occurs in one or more accounts used by Mortgagor or Mortgagor's agents, representatives or property manager in connection with the operation of the Premises, except to the extent properly applied (as documented by evidence reasonably satisfactory to Mortgagee) to the normal and customary expenses and operations of the Premises;

(3) all security deposits collected by Mortgagor (or any of Mortgagor's predecessors) and not properly refunded to tenants and all advance rents collected by Mortgagor (or any of

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Mortgagor's predecessors) and not properly applied in due course; proper refunding or application must be documented by evidence reasonably satisfactory to Mortgagee;

(4) the replacement cost of any items of personalty or any fixtures removed from the Premises after Mortgagor defaults, or there occurs any Event of Default;

(5) all losses, damages or liabilities suffered by Mortgagee arising from any acts of commission or omission by Mortgagor that result in waste upon the Premises;

(6) all payments Mortgagee makes to protect its security pursuant to express provisions of this Mortgage;

(7) all mechanic's liens, materialmen's liens or any other liens arising from work performed on or materials delivered to the Premises prior to foreclosure of this Mortgage and sale of the Premises but only to the extent Mortgagee had advanced funds to pay for such work or materials;

(8) any insurance or condemnation proceeds attributable to the Premises that are not applied in accordance with the terms of this Mortgage and any insurance or condemnation proceeds that were not paid to Mortgagee when required under the terms of this Mortgage; and

(9) all losses, damages or liability (including any diminution in the value of the Premises) suffered by Mortgagee arising from Mortgagor's default under any of the provisions of Paragraphs 52 and 53 of this Mortgage.

46. No failure to accelerate the debt evidenced hereby by reason of default or Event of Default hereunder, acceptance of a past-due installment, or indulgence granted from time to time shall be construed (i) as a novation of the Guaranty or as a waiver of such right of acceleration or of the right of Mortgagee thereafter to insist upon strict compliance with the terms of the Guaranty, or (ii) to prevent the exercise of any such right of acceleration or any other right granted hereunder or by the laws of the State of Illinois. Mortgagor hereby expressly waives the benefit of any statute or rule of law or equity now provided, or which may hereafter be provided, which would produce a result contrary to or in conflict with the foregoing. No extension of time for the payment of the Guaranty or any installment due hereunder, made by agreement with any person now or hereafter liable for the payment of the Guaranty, shall operate to release, discharge, modify, change or affect the original liability of Mortgagor under the Guaranty, either in whole or in part, unless Mortgagee agrees otherwise in writing. The Guaranty may not be changed orally but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

47. Mortgagor covenants and Beneficiary warrants that the Premises are and will be the subject of validly issued, outstanding and unconditional certificates of occupancy and permits and that the Premises are (and Mortgagor covenants that they will remain) permitted by and consistent with any and all zoning, ecological, environmental and use restrictions and all other governmental laws, rules and regulations applicable to the Premises and Mortgagor agrees that these covenants and warranties shall be fully accurate and in force continually hereafter for so long as the obligations secured hereby are unpaid or unperformed.

Mortgagor shall at all times faithfully and timely perform or cause to be performed all of the terms, covenants and conditions, on Mortgagor's part to be performed, contained in any agreements, easements, permits or other instruments affecting the

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Premises. Mortgagor covenants and agrees that it will not waive or modify any of the terms of any of such agreements, easements, permits or other instruments or the rights or easements created thereby or cancel or surrender same or release or discharge any party thereunder or person bound thereby of or from any of the terms, covenants or conditions thereof or permit the release or discharge of any party thereunder, without, in each instance, the prior written consent of Mortgagee. Mortgagor shall take all necessary action to effect the performance of all of the obligations of the other parties to and the persons bound by the said agreements, easements, permits and other instruments. Mortgagor will promptly give to Mortgagee copies of all notices, advises, demands, requests, consents, statements, approvals, disapprovals, authorizations, determinations, satisfactions, waivers, designations, refusals, confirmations or denials which it shall give or receive under any of the aforesaid agreements, easements, permits and other instruments.

48. All property of every kind and description acquired by Mortgagor after the date hereof which by the terms hereof is required or intended to be subjected to the lien of this Mortgage shall, immediately upon the acquisition thereof by Mortgagor, and without any further mortgage, conveyance, assignment or transfer, become subject to the lien and security interest of this Mortgage. Nevertheless, Mortgagor, at any time, upon the request of Mortgagee, will execute, acknowledge and deliver all such additional papers and instruments and all such further assurances of title and will do or cause to be done all further acts and things as may, subject to the conditions contained in this Mortgage, be proper or reasonably necessary for carrying out the intent of this Mortgage.

49. Mortgagor covenants and agrees that Mortgagor shall not enter into any lease, sublease, license, concession, assignment or other agreement for use, occupancy, or utilization of space in the Premises which provides for rental or other payment for such use, occupancy or utilization based in whole or in part on the net income or profits derived by any person from the portion of the Premises leased, used, occupied or utilized (other than an amount based on a fixed percentage or percentages of receipts or sales). Any such lease, sublease, license, concession or other agreement shall be absolutely void and ineffective as a conveyance of any right or utilization of any part of the Premises. Mortgagor further covenants and agrees that it shall include in each lease, sublease, license, concession or other agreement for use, occupancy or utilization of space in the Premises, a provision that neither lessee nor any other person having an interest in the possession, use, occupancy or utilization of the Premises shall enter into any lease, sublease, license, concession, assignment or other agreement for use, occupancy or utilization of space in the Premises which provides for rental or other payment for such use, occupancy or utilization based in whole or in part on the net income or profits derived by any person from the portion of the Premises leased, used, occupied or utilized (other than an amount based on a fixed percentage or percentages of receipts or sales), and that any such purported lease, sublease, license, concession, assignment or other agreement shall be absolutely void and ineffective as a conveyance of any right or interest in the possession, use, occupancy or utilization of any part of the Premises and that if a sublease is entered into, neither the rental payable thereunder nor the amount thereof passed on to any person or entity shall have deducted therefrom any expenses or costs related in any way to the subleasing of such space. Mortgagor further agrees to use reasonable efforts to enforce such provisions. A breach of the covenants and agreements of this paragraph shall be a material breach of this Mortgage entitling Mortgagee with the right to exercise all remedies

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available to it at law and under this Mortgage respecting this breach.

50. Mortgagor has made or provided for making, or will make or provide for making, on a timely basis, any reports or returns required under Sections 6045 (e) of the Internal Revenue Code of 1986 (and any similar reports or returns required by state or local law) relating to the Premises, notwithstanding the fact that the primary reporting responsibility may fall on the Mortgagee, counsel for Mortgagee, or other party. Mortgagor's obligations under this paragraph will be deemed to be satisfied if proper and timely reports and returns required under this paragraph are filed by a title company or real estate broker involved in the real estate transaction relating to the property, but nothing contained herein shall be construed to require such returns or reports to be filed by Mortgagee or counsel for Mortgagee.

51. Notwithstanding anything herein or in the Guaranty or in any related loan document to the contrary, it is not the intention of the Mortgagee to charge or collect any interest (whether fixed, contingent or otherwise) which would result in a rate of interest being charged which is in excess of the maximum rate, if any, now permitted by law for this transaction to be charged; and in the event that any sum in excess of such maximum rate of interest is paid or charged, the same shall be deemed to have been a payment of the obligations secured hereby when paid, without premium or penalty, and all payments made thereafter shall be appropriately applied to the obligations secured hereby to give effect to such maximum rate and after such application, any excess shall be immediately refunded to Mortgagor.

If during the term of this Mortgage the maximum rate of interest, if any, now permitted by law for this transaction to be charged should be increased, then for so long as such increase is in effect, the applicable maximum rate permitted to be charged as referred to in the paragraph immediately preceding shall be deemed to be such increased rate. If such maximum rate of interest, if any, now permitted by law to be charged for this transaction should be eliminated so that there would be no such maximum rate, then for purposes of this loan there shall thereafter be no maximum rate limiting the amount that can be charged.

52. Mortgagor represents and Beneficiary warrants as follows:

- a. Mortgagor is in compliance with all Environmental Laws (defined below). The Premises, including without limitation the manner of construction and development of the Premises, the physical condition of the Premises, and the operations conducted and intended to be conducted on the Premises, are in compliance with all Environmental Laws. All permits, licenses, and other authorizations required under any Environmental Laws for the Premises, including without limitation for such manner of construction and development, physical condition and operations, have been obtained and are valid and in full force and effect.
- b. At all times prior to the date hereof: Mortgagor and all previous owners of the Premises have been in compliance with all Environmental Laws; the Premises, including without limitation such manner of construction and development, physical condition, and operations, have been in compliance with all Environmental Laws; there has been no

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notice to Mortgagor or any of the previous owners of the Premises that all or any portion of the Premises was in violation of any Environmental Laws; and all such permits, licenses, and other authorizations have been obtained and have been valid and in full force and effect.

- c. No Hazardous Material Activity (defined below) is occurring on, at, in, under, or above the Premises.
- d. No Hazardous Material Activity has occurred prior to the date hereof on, at, in, under, or above the Premises.
- e. No Hazardous Material Activity has occurred or is occurring on, at, in, under, or above any property in the vicinity of the Premises from which there is a material risk that Hazardous Materials (defined below) will migrate, leach, flow, drain, seep, blow or drift onto, into, under, or above the Premises.
- f. Neither Mortgagor, the Premises, nor any other person (including but not limited to any prior owner, prior tenant or occupant, or current tenant or occupant) is or was at any time a party to, or the subject of, or threatened by, or received notice of any litigation, claim, proceeding or investigation arising from any actual, suspected, or threatened Hazardous Material Activity on, at, in, under, or above the Premises or arising from the operation of, or violation or suspected or threatened violation of, any Environmental Law. There are no grounds, facts, circumstances or other matters which might provide a basis for any such litigation, claim, proceeding, or investigation.
- g. The Premises are not subject to any lien or other encumbrance arising from any Hazardous Material Activity or from the operation of, or violation or alleged violation of, any Environmental Law.

The representations and warranties contained in this Paragraph 52 are made to the best of Mortgagor's knowledge after due and diligent inquiry.

53. Mortgagor covenants and agrees as follows:

- a. Mortgagor shall comply, and cause the tenants and other occupants of the Premises to comply, with all Environmental Laws at all times. Mortgagor shall cause the Premises, including without limitation the manner of construction and development of the Premises, the physical condition of the Premises, and the operations conducted on the Premises, to at all times be in compliance with all Environmental Laws. Mortgagor shall cause all permits, licenses, and other authorizations required under any Environmental Laws for the Premises, including for such manner of construction and development, physical condition, and operations, to at all times be in full force and effect.
- b. Mortgagor shall not cause or permit (through Mortgagor's acts or omissions or through the acts or omissions of any tenants, occupants, or other

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- parties) any Hazardous Material Activity to occur on, at, in, under, or above the Premises.
- c. Mortgagor shall not cause or permit the Premises to become subject to any lien or encumbrance arising from any Hazardous Material Activity or from the operation of, or violation or alleged violation of, any Environmental Law.
 - d. Mortgagor shall immediately notify Mortgagee in writing of:
 - (i) any actual, suspected or threatened violation of an Environmental Law with respect to the Premises;
 - (ii) any remedial action taken by or required to be taken by Mortgagor or any tenants or other occupants of the Premises in connection with any Hazardous Material Activity on all or any portion of the Premises;
 - (iii) any actual, suspected, or threatened Hazardous Material Activity on, at, in, under, or above the Premises; and
 - (iv) any litigation, claim, proceeding, or investigation arising from any actual, suspected, or threatened condition described in clause (i) or (ii) above or arising from any other environmental matter, or any such litigation, claim, proceeding, or investigation that is suspected or threatened.

At Mortgagee's request, Mortgagor shall promptly furnish Mortgagee with any documentation and information regarding the matters described above. With respect to any occurrence described in clause i, ii, or iii above that constitutes a default under this Paragraph 53, nothing in this clause (d) shall be deemed to waive or excuse such default or limit Mortgagee's rights or remedies for such default.

- e. Mortgagor shall take all appropriate response actions, including all appropriate investigative, removal and remedial actions, in the event of an actual, suspected or threatened Hazardous Material Activity on, at, in, under, or above the Premises so as to (i) cause the Premises to be in compliance with all Environmental Laws, and (ii) keep the Premises free from, and unaffected by, Hazardous Materials; except that if such response action might impair the value of the Property, then the response action shall be subject to Mortgagee's consent unless immediate response action, without obtaining such consent, is reasonably necessary to prevent harm to persons or property. Nothing in this clause (e) shall be deemed to waive or excuse a default by Mortgagor under this Paragraph 53 in causing or permitting a Hazardous Material Activity to occur or limit Mortgagee's rights or remedies for such a default. If Mortgagor fails to promptly take such appropriate action, Mortgagee shall have the right (but not the obligation), to take such actions as Mortgagee deems necessary or appropriate in order to satisfy the Mortgagor's obligations hereunder and all funds expended by the Mortgagee in connection with such action shall be secured hereby and shall be immediately due and payable by

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Mortgagor and shall bear interest at the Default Rate until paid in full.

- f. Mortgagor shall, from time to time, at Mortgagee's request furnish Mortgagee with any information known to Mortgagor and documentation available to Mortgagor relating to the environmental condition of the Premises including without limitation, reports of environmental assessments, reports of remedial activities and reports, documents, and information regarding the matters described in clause (e) above.
- g. Mortgagee may at any time, from time to time, perform or cause to be performed an assessment of the environmental condition of the Premises and of Mortgagor's compliance with this Section. In connection with any such assessment:
- (i) Mortgagee, its agents, its representatives, or its consultants may enter and inspect the Premises and perform tests of the air, soil, ground water, and building materials, including physically invasive tests;
 - (ii) Mortgagor will cooperate, cause Mortgagor's principals, employees, and agents to cooperate, and use diligent efforts to cause tenants of space in the Premises and other persons to cooperate, with Mortgagee and Mortgagee's agents, representatives, and consultants by, among other things, responding to inquiries and providing relevant documentation and records;
 - (iii) Mortgagor will accept custody of and arrange for the lawful disposal of any Hazardous Materials that are required to be disposed of as a result of those tests;
 - (iv) Mortgagee will have no liability or responsibility to Mortgagor with respect to the results of the assessment; and
 - (v) Mortgagee will not be responsible for any damage to the Premises resulting from the negligence or other misconduct of Mortgagee's consultants in performing the testing described above.

Mortgagor agrees that all leases affecting the Premises shall conform with the requirements of this subparagraph. If at the time that Mortgagee performs or causes to be performed any such assessment Mortgagee reasonably believes that any Hazardous Material Activity has occurred or is occurring on, at, in, under, or above the Premises or that Mortgagor is otherwise in default under this section or if the assessment is required by any governmental authority, then Mortgagor shall promptly reimburse Mortgagee for the cost of the assessment; provided, however, that Mortgagor agrees that any such assessments are performed for the benefit of Mortgagee and Mortgagee is not obligated to provide Mortgagor with a copy of such assessments.

- h. Mortgagor hereby forever waives any claim that Mortgagor may now or hereafter have against Mortgagee, its trustees, officers, employees, agents, successors, and assigns, arising from any Hazardous Material Activity or the operation of,

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or violation or alleged violation of, any Environmental Law of, and Mortgagor covenants not to bring any action or lawsuit against Mortgagee based on such a claim.

- i. At Mortgagee's election, from time to time, Mortgagor shall accept a release from the lien of this Mortgage of any portion of the Premises on, at, in, under, or above which Mortgagee believes a Hazardous Material Activity has occurred or is occurring or with respect to which Mortgagee believes an Environmental Law has been violated. Mortgagor shall, at Mortgagor's expense, use Mortgagor's best efforts to cause any consents, agreements and instruments to be entered into that may be reasonably required by Mortgagee in connection with such release including, without limitation, subdivision consents, consents of tenants, access agreements, easement agreements, consents of parties to existing easement agreements and other agreements, and consents of subordinate licensors. Mortgagor shall pay for any new title insurance policy or endorsement required by Mortgagee in connection with any such release.

The term "Environmental Law", as used in this Section, shall mean all present and future laws, statutes, ordinances, rules, regulations, orders, and determinations of any local, city, state, federal or other governmental authority, pertaining to health, protection of the environment, natural resources, conservation, wildlife, waste management, Hazardous Material Activities, and pollution, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. 9601 et seq.; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. 6901 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. 1251 et seq.; the Clean Air Act, 42 U.S.C. 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. 2601 et seq.; the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. 651 et seq.; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. 11001 et seq.; the National Environmental Policy Act of 1975, 42 U.S.C. 4321 et seq.; the Safe Drinking Water Act; the Hazardous Materials Transportation Act of 1975; as all of the same may have been and may hereafter be amended, and all rules, regulations, guidance documents and publications promulgated thereunder.

The term "Hazardous Material", as used in this Section, shall mean any chemical, waste, byproduct, pollutant, contaminant, compound, product, substance or other material (i) that is hazardous or toxic or (ii) the exposure to, or manufacture, possession, presence, use, generation, storage, transportation, treatment, release, emission, discharge, disposal, abatement, cleanup, removal, remediation or handling of which, is prohibited, controlled or regulated by any Environmental Law, including, without limitation, asbestos, polychlorinated byphenyls, and petroleum (including crude oil or any fraction thereof).

The term "Hazardous Material Activity", as used in this Section, shall mean any manufacture, possession, use, generation, storage, transportation, treatment, release, disposal, abatement, cleanup, removal, remediation or handling of any Hazardous Material. Without limitation, the presence of Hazardous Materials shall be deemed a Hazardous Material Activity.

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If either CERCLA or RCRA is amended so as to broaden the meaning of any term defined therein, the broader meaning will apply after the effective date of the amendment. If the laws of Illinois established a meaning which is broader than that specified in either CERCLA or RCRA, the broader meaning will apply.

If Mortgagor fails to timely and fully perform any of its obligations under this Paragraph 53, then the Mortgagee shall be subrogated to any and all rights that Mortgagor now has, or may in the future have, against any third parties (e.g., any previous owners of the Premises, any previous tenants or occupants of the Premises, any tenant or occupancy of the Premises or any other party) with respect to the performance of those obligations.

54. To the fullest extent permitted by law, Mortgagor does hereby expressly waive and renounce the benefit of all laws now existing or that may hereafter be enacted providing for any appraisal before sale of any of the premises hereby granted, commonly known as appraisal laws, and also the benefit of all laws that may be hereafter enacted in any way extending the time for the enforcement of the collection of the debt hereby secured or creating or extending a period of redemption from any sale made in collection said debt, commonly known as Stay laws and Redemption laws, and the Mortgagor hereby agrees and contracts that the laws of the State of Illinois, save as above excepted, now in force relative to the collection of the debt hereby secured and the application of the payment thereof are expressly adopted and made a part hereof. Mortgagor further expressly waives and renounces, to the fullest extent permitted by law, any and all right to invoke the benefit of any law, now or hereafter adopted, which concerns or requires the Trustee to sell the premises in an inverse order of alienation or otherwise requires a marshalling of assets or collateral in connection with any such sale, and Mortgagor specifically recognizes, confirms, acknowledges and agrees that the holder of the Guaranty requires that all parcels comprising the premises be maintained as one unit under single ownership and that a requirement for separate sales or a sale in an inverse order of alienation or to otherwise marshal assets would be contrary to the basis on which the loan secured hereby is being made.

55. That the lien herein created shall take precedence over and be a prior lien to any other lien of any character, whether vendor's materialman's or mechanic's lien, now or hereafter incurred or affecting the property herein described and in the event the money or any part thereof loaned by the holder of the Guaranty as set forth herein shall be used directly or indirectly to pay off and satisfy, or take up in whole or in part any lien or encumbrance heretofore existing on said real estate, the holder of the Guaranty secured hereby shall be subrogated to any and all rights, superior titles, liens and equities owned or claimed by any owner or holder of said outstanding liens or encumbrances, however remote and regardless of whether said liens or encumbrances are acquired by assignment or are released by the holder thereof upon payment. It is further covenanted and agreed that the securities herein given and the lien hereby created shall not affect or be affected by any other further security taken or to be taken for the same obligations or any part thereof.

56. Each of the Property(ies), together with the buildings and improvements located thereon, constituting a portion of the Premises are, and Mortgagor shall cause each of such Property(ies), together with the buildings and improvements located thereon, to be, separate tax lots so that each of such Property(ies), together with the buildings and improvements located thereon, is assessed separate and apart from any other property owned by Mortgagor or any other person or entity.

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57. Mortgagor shall, at all times, faithfully keep and perform or cause to be kept and performed, all of the terms, covenants and conditions (on Mortgagor's part to be kept or performed) contained in (i) those certain reciprocal easement and operating agreements included in the Permitted Encumbrances referred to on Exhibit B hereto (which reciprocal easement and operating agreements, as the same may have been or may be amended or modified, are hereinafter collectively referred to as the "Operating Agreement"); (ii) each of the other instruments referred to on Exhibit B hereto; and (iii) each of the documents, instruments and agreements set forth on Schedule B of the Title Policy. It is also understood, covenanted and agreed that the proportionate share of certain prorated costs and expenses as described and defined in the said Operating Agreement and any other sums of money now or hereafter due and payable to Mortgagor under the terms of the said Operating Agreement are hereby assigned, transferred and set over to Mortgagee as additional security hereunder, upon condition, however, that such assignment shall become operative and effective only in the event of an Event Default hereof. Mortgagor further covenants and agrees otherwise not to sell, assign, transfer or pledge any sums of money so payable aforesaid except in connection with a sale and transfer of all of Mortgagor's interest in said Premises. Mortgagor further covenants that it shall not modify or alter any of the terms of the said Operating Agreement or cancel or surrender same or release or discharge any party thereunder of and from the obligations, covenants and conditions therein to be observed and performed, without the prior written consent of Mortgagee.

58. The rights and remedies provided in this Mortgage are cumulative, and the Mortgagee may recover judgment thereon, issue execution therefor, and resort to every other right or remedy available at law or in equity, without first exhausting and without affecting or impairing the security or any right or remedy afforded by this Mortgage, and no enumeration of special rights or powers by any provisions of this Mortgage shall be construed to limit any grant of general rights or powers, or to take away or limit any and all rights and remedies granted to or vested in the Mortgagee by virtue of the laws of the State of Illinois.

59. If Mortgagor is now or hereafter a limited partnership or a corporation, foreign or domestic, Mortgagor shall file within the prescribed time any and all limited partnership or corporation franchise tax reports and/or other tax reports or returns, as required under the provisions of any present or future law.

60. Mortgagor hereby represents that (a) it is duly organized and validly existing under applicable state laws, (b) all Loan Documents are within Mortgagor's powers, have been duly authorized by all requisite action and are not in contravention of law or the powers of Mortgagor's partnership or trust agreement, (c) it has complied with all conditions prerequisite to its lawfully doing business in the State in which the Premises are located, and (c) it has all requisite partnership and trust power and all governmental certificates of authority, licenses, permits, qualifications, and documentation to own, lease and operate its properties and to carry on its business as now being, and as proposed to be, conducted.

61. Mortgagor will preserve and keep in full force and effect its existence, rights, franchises, and trade names.

62. Beneficiary does hereby warrant and Mortgagor represents that each person executing this Mortgage on behalf of Beneficiary is a general partner of Mortgagor and that said general partner is duly authorized and empowered to execute this

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Mortgage on behalf of Mortgagor and convey and encumber the Premises as security for the obligations evidenced by the Guaranty and for the uses and purposes contained in this Mortgage.

63. Mortgagor will cause the Loan Documents and all amendments, supplements and extensions thereto and substitutions therefor to be recorded, filed, re-recorded and refiled in such manner and in such places as the Mortgagee shall reasonably request, and will pay all such recording, filing, re-recording and refiling fees, taxes, title insurance premiums, and other charges.

64. Mortgagor agrees that it shall be bound by any modification of this Mortgage or any of the other Loan Documents made by the Mortgagee and any subsequent owner of the Premises, with or without notice to such Mortgagor, and no such modifications shall impair the obligations of such Mortgagor under this Mortgage or any other of the Loan Documents. Nothing in this Paragraph 64 shall be construed as permitting any transfer of the Premises which would constitute a default under other provisions of this Mortgage.

65. In any instance hereunder where the Mortgagee's approval or consent is required or the exercise of the Mortgagee's judgment is required, the granting or denial of such approval or consent and the exercise of such judgment shall be within the sole discretion of the Mortgagee except as otherwise expressly provided herein, and the Mortgagee shall not, for any reason or to any extent, be required to grant such approval or consent or exercise such judgment in any particular manner regardless of the reasonableness of either the request or the Mortgagee's judgment.

66. Nothing contained herein or in the other Loan Documents is intended to create any partnership, joint venture or association between Mortgagor and the Mortgagee, or in any way make the Mortgagee a co-principal with Mortgagor with reference to the Premises, and any inferences to the contrary are hereby expressly negated. Without limitation of the foregoing, the Mortgagee shall not be deemed to be such a partner or joint venturer on account of its becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage or pursuant to any other instrument or document evidencing or securing any of the liabilities or obligations secured hereby, or otherwise.

67. With respect to each Mortgagor who is an individual, no part of the Premises constitutes any part of his business or residential homestead.

68. Notwithstanding anything in this Mortgage to the contrary, including, without limitation, the definition of Premises and/or the provisions hereof concerning the assignment of the Rents and Leases to the Mortgagee, (a) to the extent permitted by applicable law, the Premises is comprised of Mortgagor's rights, title and interests therein but not its obligations, duties or liabilities pertaining thereto, (b) the Mortgagee neither assumes nor shall have any obligations, duties or liabilities in connection with any portion of the items described in connection with the definition of Premises herein, either prior to or after obtaining title to such Premises, whether by foreclosure sale, the granting of a deed in lieu of foreclosure or otherwise, and (c) the Mortgagee may, at any time prior to or after the acquisition of title to any portion of the Premises as above described, advise any party in writing as to the extent of the Mortgagee's interest therein and/or expressly disaffirm in writing any rights, interests, obligations, duties and/or liabilities with respect to such Premises or matters related thereto. Without limiting the generality of the

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foregoing, it is understood and agreed that the Mortgagee shall have no obligations, duties or liabilities prior to or after acquisition of title to any portion of the Premises, as lessee under any lease or purchaser or seller under any contract or option, unless the Mortgagee elects otherwise by written notification.

69. It is mutually agreed that all of the personalty and fixtures listed in the granting clauses of this Mortgage that are owned by Mortgagor and placed by it on the Premises are, so far as permitted by law, deemed to be fixtures and a part of the realty, security for the obligations secured by this Mortgage. It is further agreed that to the extent permitted by law, the accounts, choses in action, and other intangibles listed in the granting clauses of this Mortgage are deemed to be security for the obligations secured hereby. For all such property and the remainder of the personal property items listed in the granting clauses of this Mortgage, this Mortgage shall be construed as a Security Agreement, and also as a Financing Statement under the Illinois Uniform Commercial Code, with the Mortgagor as debtor (with its address as set forth above) and with the Mortgagee as secured party (with its address as set forth above), for the purpose of creating hereby a security interest in such items, which Mortgagor hereby grants to Mortgagee as Secured Party (as that term is defined in the Illinois Uniform Commercial Code), securing the obligations for the benefit of Mortgagee.

70. Mortgagor hereby waives demand, presentment, notice of dishonor, notice of intention to accelerate the obligations evidenced by the Guaranty, notice of the acceleration of the maturity thereof, diligence in collecting, grace, notice and protest. Mortgagor waives any right or remedy which Mortgagor may have or be able to assert pursuant to the laws of the State of Illinois pertaining to the rights and remedies of sureties.

71. Mortgagor covenants not to initiate, join in, or consent to any change in any zoning ordinance, private restrictive covenant or other public or private restrictions changing, limiting or restricting the uses which may be made of the Premises or any part thereof without the prior written consent of Mortgagee.

72. Time is of the essence under this Mortgage, the Guaranty and the Second Priority Loan Documents.

73. This Mortgage binds, and the benefits and advantages thereof also inure to the respective heirs, executors, administrators, successors and assigns of the parties to this Mortgage and the defined terms "Mortgagor" and "Mortgagee" include the respective heirs, executors, administrators, successors and assigns. Whenever used, the singular number includes all plurals and the masculine reference includes all genders. Nothing in this paragraph abrogates any restrictions on transfer contained in this Mortgage.

74. Neither this Mortgage nor any term hereof may be changed, waived, discharged or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. Any agreement hereafter made by Mortgagor and Mortgagee relating to this Mortgage shall be superior to the rights of the holder of any intervening lien encumbrance.

75. Mortgagor hereby knowingly, voluntarily and intentionally waives any right it may have to a trial by jury in respect of any litigation based hereon, or arising out of, under or in connection with this Mortgage, the Guaranty or any of the other Loan Documents, and any agreement, contemplated to be

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executed in conjunction therewith, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of either party. This provision is a material inducement for Mortgagee to make the loan secured hereby.

76. The invalidity or unenforceability in particular circumstances of any provision of this Mortgage shall not extend beyond such provision or circumstances and no other provision hereof shall be affected thereby.

77. The Mortgagor represents and Beneficiary warrants that there are no "facilities" at, on or under the Premises, which are subject to reporting under Section 312 of the Federal Emergency Planning Community Right-to-Know Act of 1986, and federal regulations promulgated thereunder and there are no underground storage tanks at, on or under the Premises which require notification under Section 9002 of the Solid Waste Solid Disposal Act, as now or hereafter amended (42 U.S.C. 6991) and the Responsible Property Transfer Act of 1988 (Ill. Rev. Stat., 1988 Supp., ch. 30, §900) is not applicable to the Mortgagor's borrowing of the obligations secured by this Mortgage.

78. The Mortgagor, on behalf of itself and all persons now or hereafter interested in the Premises, voluntarily and knowingly hereby acknowledges that the transaction of which this Mortgage is a part is a transaction which does not include either agricultural real estate (as defined in the Illinois Mortgage Foreclosure Law, Ill. Rev. Stat. Ch. 110, Section. 15-1101 et seq., herein the "Act"), or residential real estate (as defined in the Act); waives, to the fullest extent permitted by applicable law, any and all rights to reinstate or redemption and any and all other rights and benefits under all present and future appraisement, homestead, moratorium, valuation, exemption, stay, extension, redemption and marshalling statutes, laws or equities now or hereafter existing, and agrees that no defense, claim or right based on any thereof will be asserted, or may be enforced, in any action enforcing or relating to this Mortgage or any of the Premises. Without limiting the generality of the preceding sentence, the Mortgagor, on its own behalf and on behalf of each and every person acquiring any interest in or title to the Premises subsequent to the date of this Mortgage, hereby irrevocably waives any and all rights of reinstatement or redemption from sale or from or under any order, judgment or decree of foreclosure of this Mortgage or under any power contained herein or under any sale pursuant to any statute, order, decree or judgment of any court. The Mortgagor, for itself and for all persons hereafter claiming through or under it or who may at any time hereafter become holders of liens junior to the lien of this Mortgage, hereby expressly waives and releases all rights to direct the order in which any of the Premises shall be sold in the event of any sale or sales pursuant hereto and to have any of the Premises and/or any other property now or hereafter constituting security for any of the obligations secured hereby marshalled upon any foreclosure of this Mortgage or of any other security for any of said obligations.

79. (a) If any provision of this Mortgage is inconsistent with any applicable provision of the Act (as defined above), the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can fairly be construed in a manner consistent with the Act.

(b) Without in any way limiting or restricting any of Mortgagee's rights, remedies, powers and authorities under this Mortgage, and in addition to all of such rights, remedies, powers, and authorities, the Mortgagee shall also have and may exercise any and all rights, remedies, powers and authorities which the holder of a mortgage is permitted to have or exercise

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under the provisions of the Act, as the same may be amended from time to time. If any provision of this Mortgage shall grant to Mortgagee any rights, remedies, powers or authorities upon default of the Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the Act in the absence of said provision, Mortgagee shall be vested with all of the rights, remedies, powers and authorities granted in the Act to the fullest extent permitted by law.

(c) Without limiting the generality of the foregoing, all expenses incurred by Mortgagee, to the extent reimbursable, under Section 15-1510, 15-1512, or any other provision of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in any other provision of this Mortgage, shall be added to the obligations secured by this Mortgage and by the judgment of foreclosure.

80. Any property management agreement for or relating to all or any part of the Premises, whether now in effect or entered into hereafter by the Mortgagor or any agent of the Mortgagor, with a property manager shall contain a "no lien" provision whereby the property manager forever and unconditionally waives and releases any and all mechanics' lien rights and claims that it or anyone claiming through or under it may have at any time pursuant to any statute or law (including, without limitation, Ill. Rev. Stat., 1985, ch. 82, § 1). Such property management agreement or a short form thereof including such waiver shall, at the Mortgagee's request, be recorded with the Office of the Recorder of Deeds for the county in which the Premises are located. In addition, the Mortgagor shall cause the property manager to enter into a subordination agreement with the Mortgagee, in recordable form, whereby the property manager subordinates its present and future lien rights and those of any party claiming by, through or under it, to the lien of this Mortgage. The Mortgagor's failure to cause any of the foregoing to occur shall constitute a default under this Mortgage.

81. This Mortgage is executed by LaSalle Trustee, not personally but solely as trustee in the exercise of the power and authority conferred upon and vested in it as trustee. No personal liability shall be asserted or be enforceable against LaSalle Trustee because or in respect of this Mortgage or its making, issue or transfer. All such liability, if any, is expressly waived by each taker and holder hereof. Nothing herein shall modify or discharge the personal liability assumed by the guarantor(s) hereof, if any. Each original and successive holder of this Mortgage accepts the express condition that no duty shall rest upon LaSalle Trustee to sequester the rents, issues and profits arising from the Premises or the proceeds arising from sale or other disposition. In case of an Event of Default, the sole remedies of the Mortgagee, as far as LaSalle Trustee is concerned, shall be foreclosure of the Mortgage, action against any other security at any time given to secure the payment hereof, and action to enforce the personal liability or any of the remedies as the Mortgagee in its sole discretion may elect including but not by way of limitation, the appointment of a receiver for the Premises.

82. Mortgagor covenants and agrees that Mortgagor shall not hereafter enter into any lease, sublease, license, concession or other agreement for use, occupancy or utilization of space in the Premises which provides for rental or other payment for such use, occupancy or utilization based in or whole or in part on the net income or profits derived by any person from the space in the Premises leased, used, occupied or utilized (other than an amount based on a fixed percentage or percentages of receipts or sales). Any such lease, sublease, license, concession or other agreement shall be absolutely void and ineffective as a conveyance of any right or utilization of any part of the Premises. Mortgagor

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further covenants and agrees that it shall include in each lease, sublease, license, concession or other agreement for use, occupancy or utilization of space in the Premises, a provision that neither lessee nor any other person having an interest in the possession, use, occupancy or utilization of the Premises shall enter into any lease, sublease, license, concession or other agreement for use, occupancy or utilization of space in the Premises which provides for rental or other payment for such use, occupancy or utilization based in whole or in part on the net income or profits derived by any person from the space in the Premises leased, used, occupied or utilized (other than an amount based on a fixed percentage or percentages of receipts or sales), and that any such purported lease, sublease, license, concession or other agreement shall be absolutely void and ineffective as a conveyance of any right or interest in the possession, use, occupancy or utilization of any part of the Premises (and that if a sublease is entered into, neither the rental payable thereunder nor the amount thereof passed on to any person or entity shall have deducted therefrom any expenses or costs related in any way to the subleasing of such space). Mortgagor further agrees to use reasonable efforts to enforce such provisions.

IT IS SPECIFICALLY AGREED that time is of the essence of this contract and that the waiver of the options, or obligations secured hereby, shall not at any time thereafter be held to be abandonment of such rights. Notice of the exercise of any option granted to the Mortgagee herein, or in the Guaranty secured hereby, is not required to be given.

ALL OF THE REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS herein contained are joint and several and shall also bind, and the benefits and advantages thereof shall also inure to the respective heirs, executors, administrators, successors and assigns of the parties hereto. Whenever used, the singular number shall include the plural, the plural the singular and the use of any gender shall include all genders.

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IN WITNESS WHEREOF, the Mortgagor, if an individual or individuals, has (have) signed, sealed, and delivered this writing, or if a partnership, has caused this writing to be signed, sealed and delivered in the name and on behalf of, the partnership by its general partner who is duly authorized, the day and year herein first written.

BENEFICIARY:

CHICAGO TECH PARTNERSHIP, an Illinois limited partnership

By: Alter Design Builders, a Delaware corporation

By: 
Name: William Alter
Title: President

LaSALLE TRUST:

LaSALLE NATIONAL TRUST, N.A., not personally but solely as Trustee under Trust Agreement dated October 30, 1985 and known as Trust No. 110487

By: _____
Name: _____
Title: _____

This Document was prepared by and after Recording Return to:

*Paul Meyer
MBT P
190 S. La Salle St
Chicago, IL 60603*

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IN WITNESS WHEREOF, the Mortgagor, if an individual or individuals, has (have) signed, sealed, and delivered this writing, or if a partnership, has caused this writing to be signed, sealed and delivered in the name and on behalf of, the partnership by its general partner who is duly authorized, the day and year herein first written.

BENEFICIARY:

CHICAGO TECH PARTNERSHIP, an Illinois limited partnership

By: Alter Design Builders, a Delaware corporation

By: _____
Name: William Alter
Title: President

LaSALLE TRUST:

LaSALLE NATIONAL TRUST, N.A., not personally but solely as Trustee under Trust Agreement dated October 30, 1985 and known as Trust No. 110487

By: _____
Name: _____
Title: VICE PRESIDENT

WITNESSED BY: Nancy A. Slack
Assistant Secretary

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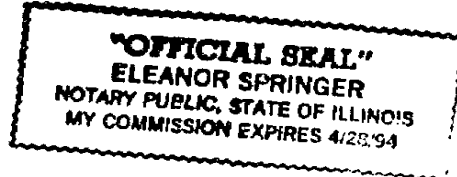
STATE OF Ill)
COUNTY OF Cook) SS.

I, Eleanor Spring, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT William Alter, personally known to me to be the President of Alter Design Builders, a Delaware corporation, personally known to me to be the general partner of CHICAGO TECH PARTNERSHIP, an Illinois limited partnership, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such he signed and delivered the said instrument pursuant to authority, as his free and voluntary act, and as the free and voluntary act and deed of said corporation and said partnerships, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 9th day of June, 1993

Eleanor Spring
Notary Public

My Commission expires:



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Exhibit A
Trust 110487 Property
Tech 2000

THAT PART OF VARIOUS LOTS IN BLOCK 12, INCLUDING VACATED ALLEYS AND VACATED BELL AVENUE IN SAID BLOCK 12, TAKEN AS A TRACT, IN ROCKWELL'S ADDITION TO CHICAGO, IN THE NORTHEAST 1/4 OF SECTION 13, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN AND IN THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 104 IN J.M. BANKS RESUBDIVISION OF THE WEST 1/2 OF LOT 13 IN BLOCK 12 IN THE AFORESAID ROCKWELL'S ADDITION TO CHICAGO; THENCE EAST ALONG THE SOUTH LINE OF LOTS 104 THROUGH 114, BOTH INCLUSIVE, AND THEIR EASTERLY EXTENSION THEREOF, IN THE AFORESAID J.M. BANKS RESUBDIVISION, A DISTANCE OF 320.28 FEET; THENCE NORTH ALONG A LINE DRAWN PERPENDICULARLY FROM THE LAST DESCRIBED COURSE, 124.16 FEET; THENCE EAST ALONG A LINE DRAWN PERPENDICULARLY FROM THE LAST DESCRIBED COURSE, 139.17 FEET; THENCE NORTH ALONG A LINE DRAWN PERPENDICULARLY FROM THE LAST DESCRIBED COURSE, 164.17 FEET TO THE POINT OF INTERSECTION WITH THE WESTERLY EXTENSION OF THE NORTH LINE OF THE SOUTH 13 FEET 4 INCHES OF LOT 61, IN THE SUBDIVISION OF LOT 13 IN BLOCK 12 IN ROCKWELL'S ADDITION TO CHICAGO (INCLUDING THE FORMER SUBDIVISION OF THE 18 SUB-LOTS IN THE SOUTHWEST CORNER OF SAID LOT 13 AND A RESUBDIVISION OF SUB-LOTS 10, 11, 12, 13, AND 14 OF THE SAID 18 SUB-LOTS); THENCE WEST ALONG SAID WESTERLY EXTENSION OF THE NORTH LINE OF THE SOUTH 13 FEET 4 INCHES OF LOT 61, A DISTANCE OF 4.73 FEET TO A POINT IN THE EAST LINE OF LOT 24 IN THE AFORESAID SUBDIVISION OF LOT 13 IN BLOCK 12; THENCE NORTH ALONG THE EAST LINE OF SAID LOT 24, A DISTANCE OF 6.07 FEET TO THE NORTHEAST CORNER THEREOF; THENCE WEST ALONG THE NORTH LINE OF SAID LOT 24 AND ITS WESTERLY EXTENSION, 189.60 FEET TO A POINT IN THE WEST LINE OF SOUTH BELL AVENUE AS VACATED PER INSTRUMENT RECORDED OCTOBER 10, 1978 AS DOCUMENT NO. 24663483, SAID WEST LINE BEING THE EAST LINE OF LOTS IN THE AFORESAID J.M. BANKS RESUBDIVISION OF THE WEST 1/2 OF LOT 13 IN BLOCK 12 IN ROCKWELL'S ADDITION TO CHICAGO; THENCE NORTH ALONG SAID EAST LINE OF LOTS IN SAID J.M. BANKS RESUBDIVISION OF THE WEST 1/2 OF LOT 13, A DISTANCE OF 10.59 FEET TO A POINT IN THE SOUTH LINE OF THE NORTH 9 FEET OF LOT 123 IN SAID J.M. BANKS RESUBDIVISION OF THE WEST 1/2 OF LOT 13; THENCE WEST ALONG THE SOUTH LINE OF THE NORTH 9 FEET OF SAID LOT 123 AND ITS WESTERLY EXTENSION, 140.30 FEET TO A POINT IN THE EAST LINE OF LOT 15, IN THE SUBDIVISION OF LOTS 83 TO 103 IN SAID J.M. BANKS RESUBDIVISION OF THE WEST 1/2 OF LOT 13; THENCE NORTH ALONG THE EAST LINE OF SAID LOT 15, A DISTANCE OF 0.80 FEET TO THE NORTHEAST CORNER THEREOF; THENCE WEST ALONG THE NORTH LINE OF SAID LOT 15, A DISTANCE OF 124.30 FEET TO THE NORTHWEST CORNER THEREOF; THENCE SOUTH ALONG THE WEST LINE OF LOTS 15 TO 23, BOTH INCLUSIVE, AND THEIR SOUTHERLY EXTENSION THEREOF, IN SAID SUBDIVISION OF LOTS 83 TO 103 IN J.M. BANKS RESUBDIVISION AND ALONG THE WEST LINE OF LOT 104 IN SAID J.M. BANKS RESUBDIVISION, 307.00 FEET TO THE HERRINABOVE DESIGNATED POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

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Common Street Address: 2242 W. Harrison Street, Chicago, Illinois

Property Index Numbers: 17-18-129-015, 17-18-129-017, 17-18-129-018,
17-18-129-019, 17-18-129-020, 17-18-129-021,
17-18-129-022, 17-18-129-033, 17-18-129-034,
17-18-129-035, 17-18-129-036, 17-18-129-037,
17-18-129-038, 17-18-129-039, 17-18-129-040,
17-18-129-041, 17-18-129-042, 17-18-129-043,
17-18-129-044, 17-18-129-047, 17-18-129-049,
17-19-130-018, 17-18-130-021, 17-18-130-022,
17-18-130-023, 17-18-130-048, 17-18-130-049,
17-18-130-016

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EXHIBIT B

PERMITTED EXCEPTIONS (Tech. 2000 Property)

The Permitted Exceptions shall be those exceptions set forth in Schedule B of that certain title insurance policy dated June 15th, 1993 delivered by Chicago Title Insurance Company to Mortgagee, policy no. 7426598. The exceptions in said Schedule B are incorporated herein by reference.

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