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(For Recorder's Use Only)

MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

THIS INSTRUMENT CONSTITUTES A FINANCING STATEMENT UNDER THE ILLINOIS UNIFORM COMMERCIAL CODE COVERING THE ITEMS AND TYPES OF COLLATERAL DESCRIBED HEREIN. THE NAMES OF THE DEBTOR AND THE SECURED PARTY, THE MAILING ADDRESS OF THE SECURED PARTY FROM WHICH INFORMATION CONCERNING THE SECURITY INTEREST MAY BE OBTAINED, THE MAILING ADDRESS OF THE DEBTOR AND A STATEMENT INDICATING THE TYPES, OR DESCRIBING THE ITEMS, OF COLLATERAL ARE AS DESCRIBED IN PARAGRAPH 16 BELOW AND ON EXHIBIT C ATTACHED HERETO, IN COMPLIANCE WITH THE REQUIREMENTS OF ARTICLE 9, SECTION 402 OF THE ILLINOIS UNIFORM COMMERCIAL CODE.

Permanent Index Nos	17-09-421-006-0000	17-09-421-016-0000
	17-09-421-007-0000	17-09-421-018-0000
	17-09-421-008-0000	17-09-422-009-0000
	17-09-421-012-0000	17-09-422-010-0000
	17-09-421-013-0000	17-09-422-011-0000
	17-09-421-014-0000	17-09-422-012-0000
	17-09-421-015-0000	

Common Address 77 West Wacker Drive  
Chicago, Illinois 60603

BOX 383-CT!

UNOFFICIAL COPY

Property of Cook County Clerk's Office

10-20-2023

THIS MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT (hereinafter referred to as this "Security Deed") is made and entered into as of this 17th day of November, 1997, by 77 WEST WACKER LIMITED PARTNERSHIP, an Illinois limited partnership (hereinafter referred to as "Mortgagor"), having a business address of 77 West Wacker Drive, Suite 3900, Chicago Illinois 6060, in favor of BANKBOSTON, N.A., a national banking association (hereinafter referred to as "Mortgagee") having a business address at 100 Federal Street, Boston, Massachusetts 02110, as Agent for itself and other lending institutions which are now or hereafter Lenders under the Credit Agreement described below (collectively hereinafter referred to as "Lenders").

WITNESSETH:

THAT FOR AND IN CONSIDERATION OF ONE DOLLAR (\$1.00) AND OTHER GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency whereof are hereby acknowledged by Mortgagor, and in order to secure the Secured Obligations (as hereinafter defined), Mortgagor hereby irrevocably conveys, transfers and assigns to Mortgagee, and grants to Mortgagee a security interest in all of the following described property (hereinafter collectively referred to as the "Property"):

(a) All that certain tract or parcel of land located at or near 77 West Wacker Drive, Chicago, Illinois, more particularly described in Exhibit A attached hereto and by this reference made a part hereof, whether Mortgagor's interest therein is as owner of the fee title, owner of the leasehold estate under the Air Rights Lease (as defined in Paragraph 19 hereof) or as owner of easements and rights pursuant to the easements and agreements referenced on Exhibit A, together with all right, title and interest of Mortgagor, including any after-acquired title or reversion, in and to the rights-of-ways, streets and alleys adjacent thereto, and all easements, rights-of-way, licenses, operating agreements, strips and gores of land, vaults, streets, ways, alleys, passage, sewers, sewer rights, waters, water courses, water rights and powers, oil, gas and other minerals, flowers, shrubs, crops, trees, timber and other emblements now or hereafter located on the land or under or above same, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way belonging, relating to or appertaining to said tract or parcel of land or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Mortgagor and the reversion and reversions, remainder and remainders, and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of the Mortgagor of, in and to the same (hereinafter referred to as the "Land"), and

(b) All buildings, structures, parking areas, landscaping, and other improvements of every nature now or hereafter situated, erected or placed on the Land (hereinafter referred to as the "Improvements"), now or hereafter erected, all of which materials shall be deemed to be included within the Improvements immediately upon the delivery thereof to the Land, and

(c) All fixtures, machinery, equipment, furniture, inventory, building supplies, appliances and other articles of personal property, and all materials intended for construction, reconstruction, alteration and repairs of the Improvements, including, but not limited to, all gas and electric fixtures, radiators, heaters, furnaces, engines and machinery, boilers, ranges, ovens, elevators and motors, bathtubs, sinks, commodes, basins, pipes, faucets and other plumbing, heating and air conditioning equipment, mirrors, refrigerating plant, refrigerators, iceboxes, dishwashers, carpeting, floor coverings, furniture, light fixtures, signs, lawn equipment, water heaters, and cooking apparatus and appurtenances, and all other fixtures and equipment now or hereafter owned by Mortgagor and located in, on or about, or used or intended to be used with or in connection with the maintenance, repair, use, operation, or enjoyment of the Land or the improvements, whether installed in such a way as to become a part thereof or not, including all extensions, additions, improvements, betterments, renewals and replacements of any of the foregoing and all the right, title and interest of Mortgagor in and to any of the foregoing now owned or hereafter acquired by Mortgagor, all of which are hereby declared and shall be deemed to be fixtures and accessions to the freehold and a part of the Improvements as between the parties hereto and all persons claiming by, through or under them (hereinafter referred to as the "Tangible Property"); and

(d) All right, title and interest of Mortgagor in and to all funds held by the Mortgagee in the "IRB Indebtedness Account" under Section 2.8 of the Credit Agreement (as hereinafter defined), any reserve replacement account, deferred maintenance account, or any account established for taxes or insurance payments, all policies of insurance, licenses, franchises, permits, service contracts, maintenance contracts, property management agreements, equipment leases, tradenames, trademarks, servicemarks, logos, goodwill, accounts, chattel paper and general intangibles as defined in the Uniform Commercial Code as enacted in the State of Illinois (hereinafter referred to as the "State"), which in any way now or hereafter belong, relate or appertain to the Land, the Improvements or the Tangible Property or any part thereof now owned or hereafter acquired by Mortgagor, including, without limitation, all condemnation payments, insurance proceeds, tax abatements and escrow funds (hereinafter referred to as the "Intangible Property"); and

(e) All present and future leases, tenancies, occupancies and licenses, whether written or oral of the Land, the Improvements, the Tangible Property and the Intangible Property, or any combination or part thereof (hereinafter referred to as the "Leases"), and all income, rents, issues, royalties, profits, revenues, security deposits and other benefits of the Land, the Improvements, the Tangible Property and the Intangible Property, from time to time accruing, all payments under Leases, and all payments on account of oil and gas and other mineral Leases, working interests, production payments, royalties, overriding royalties, rents, delay rents, operating interests, participating interests and other such entitlements, and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of Mortgagor of, in and to the same (hereinafter collectively referred to as the "Revenues");

(f) All the right, title, interest of Mortgagor in and to all construction contracts, subcontracts, architectural agreements, labor, material and payment bonds, guaranties

and warranties, and plans and specifications relating to the construction of Improvements on the Land, whether now or hereafter existing, including, without limitation (i) any architectural or engineering agreement entered into with respect to the design of said Improvements and other architectural or engineering services, (ii) the plans and specifications for the construction of said Improvements prepared by the architect, and (iii) any contractor's agreement entered into with respect to construction of Improvements on the Land (hereinafter collectively referred to as the "Contracts"), and

(g) All judgments, awards of damages and settlements hereafter made as a result or in lieu of any taking of the Property or any interest therein or part thereof under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Property, or the improvements thereon or any part thereof, including any award for change of grade of streets

(h) All proceeds, products, substitutions and accessions of the foregoing of every type

TO HAVE AND TO HOLD the Property and all parts, rights, members and appurtenances thereof, to the use, benefit and behoof of Mortgagee and the successors and assigns of Mortgagee, in fee simple forever, and Mortgagor covenants that Mortgagor is lawfully seized and possessed of the Property and holds marketable fee simple absolute title to the same and has good right to convey the Property and that the conveyances in this Security Deed are subject to only those matters set forth on Schedule B to the title insurance policy issued by Chicago Title Insurance Company with respect to this Security Deed (hereinafter referred to as the "Permitted Encumbrances"). Except for the Permitted Encumbrances, Mortgagor does warrant and will forever defend the title to the Property against the claims of all persons whomsoever.

This Security Deed is intended to constitute (i) a mortgage under the laws of the State, and (ii) a security agreement and FINANCING STATEMENT under the Uniform Commercial Code as enacted in the State. This Security Deed is also intended to operate and be construed as an absolute present assignment of the rents, issues and profits of the Property, Mortgagor hereby agreeing that Mortgagee is entitled to receive the rents, issues and profits of the Property prior to an Event of Default and without entering upon or taking possession of the Property. Although this Security Deed constitutes a present, current and absolute assignment of all Lease, and all rents, issues and profits from the Property, so long as no Event of Default (as herein defined) has occurred, Mortgagor shall collect and receive the Revenues as trustee for the benefit of Mortgagee, to apply the Revenues so collected to the Secured Obligations, to the extent then due, with the balance, so long as no Event of Default has occurred, to the account of Mortgagor.

This Security Deed is given to secure the payment and performance of the following described indebtedness and obligations (hereinafter collectively referred to as the "Secured Obligations"):

(a) The Unconditional Guaranty of Payment and Performance executed and delivered by Mortgagor to Mortgagee (hereinafter, together with any and all renewals, replacements, modifications and extensions thereof, referred to as the "Guaranty") guaranteeing debt evidenced by certain Notes (hereinafter, together with any and all renewals,

replacements, modifications, consolidations and extensions thereof, referred to as the "Notes") executed and delivered by Prime Group Realty, L.P., a Delaware limited partnership ("Borrower") to the Lenders pursuant to the Credit Agreement (as defined below), in the aggregate principal face amount of TWO HUNDRED TWENTY-FIVE MILLION DOLLARS (\$225,000,000.00) together with interest as therein provided;

(b) The full and prompt payment and performance of all of the provisions, agreements, covenants and obligations contained in that certain Credit Agreement dated as of November 17, 1997 among Borrower, Prime Group Realty Trust, Mortgagee and the Lenders (hereinafter, together with any and all renewals, replacements, modifications and extensions thereof, referred to as the "Credit Agreement"),

(c) The full and prompt payment and performance of all of the provisions, agreements, covenants and obligations herein contained and contained in any other agreements, documents or instruments now or hereafter evidencing, securing or otherwise relating to the indebtedness evidenced by the Notes (the Notes, the Guaranty, this Security Deed, the Credit Agreement, the Assignment of Leases and Rents of even date from Mortgagor to Mortgagee pertaining to leases and rents from the Property and such other agreements, documents and instruments, together with any and all renewals, amendments, extensions and modifications thereof, are hereinafter collectively referred to as the "Loan Documents"), and the payment of all other sums therein covenanted to be paid;

(d) Any and all additional advances made by Mortgagee to protect or preserve the Property or the security interest created hereby on the Property, or for taxes, assessments or insurance premiums as hereinafter provided or for performance of any of Mortgagor's obligations hereunder or under the other Loan Documents or for any other purpose provided herein or in the other Loan Documents (whether or not the original Mortgagor remains the owner of the Property at the time of such advances), and

(e) Any and all other indebtedness which may now or hereafter be due and owing from Borrower to the Lenders arising under the Credit Agreement, now existing or hereafter coming into existence, however and whenever incurred or evidenced, whether expressed or implied, direct or indirect, absolute or contingent, or due or to become due, and all renewals, modifications, consolidations and extensions thereof, including without limitation all future advances under the revolving line of credit thereunder and the reimbursement obligations relating to the letters of credit issued for the account of the Borrower thereunder and indebtedness to the Lender which is the issuer of such letters of credit and/or to the Lenders arising from the drawing of such letters of credit by the beneficiaries named therein, and all such indebtedness relating to such future advances or letters of credit shall be secured to the same extent and with the same priority as if such indebtedness were for loans advanced on the date hereof

Mortgagor hereby further covenants and agrees with Mortgagee as follows:

1. Payment and Performance of Secured Obligations. Mortgagor shall promptly pay the Secured Obligations when due, and fully and promptly perform all of the provisions, agreements, covenants and obligations of the Secured Obligations.

2. Funds for Impositions. Subject to Mortgagee's option under Paragraphs 3 and 4 hereof and after the occurrence of an Event of Default hereunder, Mortgagor shall pay to Mortgagee on the days that monthly installments of interest are payable under the Notes, until the Secured Obligations are paid in full, a sum (hereinafter referred to as the "Funds") equal to one-twelfth (1/12) of the following items (hereinafter collectively referred to as the "Impositions"): (a) the yearly water and sewer bills, real estate taxes, ad valorem taxes, personal property taxes, assessments, betterments, and all governmental charges of every name and restriction which may be levied on the Property, and (b) the yearly premium installments for the insurance covering the Property and required by Mortgagee pursuant to Paragraph 4 hereof. The Impositions shall be estimated initially and from time to time by Mortgagee on the basis of assessments and bills and estimates thereof. The Funds shall be held by Mortgagee, free of interest and free of any liens or claims on the part of creditors of Mortgagor and as part of the security for the Secured Obligations. The Funds may be commingled with the general funds of Mortgagee subject to the terms of this Security Deed. Mortgagee shall apply the Funds to pay the Impositions with respect to which the Funds were paid to the extent of the Funds then held by Mortgagee and provided Mortgagor has delivered to Mortgagee the assessments or bills therefor. Mortgagee shall make no charge for so holding and applying the Funds or for verifying and compiling said assessments and bills. The Funds are pledged as additional security for the Secured Obligations, and may be applied, at Mortgagee's option and without notice to Mortgagor, to the payment of the Secured Obligations upon any Event of Default hereunder. If at any time the amount of the Funds held by Mortgagee shall be less than the amount deemed necessary by Mortgagee to pay Impositions as such become due, Mortgagor shall pay to Mortgagee any amount necessary to make up the deficiency within five (5) days after notice from Mortgagee to Mortgagor requesting payment thereof. Upon payment in full of the Secured Obligations, Mortgagee shall promptly refund to Mortgagor any Funds held by Mortgagee.

3. Impositions, Liens and Charges. Mortgagor shall pay all Impositions and other charges, if any, attributable to the Property, and at Mortgagee's option after the occurrence of an Event of Default, shall pay in the manner provided under Paragraph 2 hereof. Promptly after each request from Mortgagee, Mortgagor shall furnish to Mortgagee all bills and notices of amounts due under this Paragraph 3 and receipts evidencing such payments. Mortgagor shall promptly discharge (by bonding, payment or otherwise) any lien filed against the Property and will keep and maintain the Property free from the claims of all persons supplying labor or materials to the Property.

4. Property and Other Insurance

(a) Mortgagor, at its expense, shall procure and maintain for the benefit of Mortgagor and Mortgagee, insurance policies issued by such insurance companies, in such amounts, in such form and substance, and with such coverages, endorsements, deductibles, and

expiration dates as are acceptable to Mortgagee, providing the following types of insurance covering the Property:

(i) "All Risks" property insurance (including broad form flood, broad form earthquake if Mortgagee shall require earthquake insurance based on the seismic zone applicable to the Property, and comprehensive boiler and machinery coverages) on the Improvements and Tangible Property in an amount not less than one hundred percent (100%) of the full replacement cost of the Improvements and the Tangible Property with deductibles not to exceed \$5,000 for any one occurrence, with a replacement cost coverage endorsement, an agreed amount endorsement, and, if requested by Mortgagee, a contingent liability from operation of building laws endorsement, a demolition cost endorsement and an increased cost of construction endorsement in such amounts as Mortgagee may require. Full replacement cost as used herein means the cost of replacing the Improvements (exclusive of the cost of excavations, foundations and footings below the lowest basement floor) and the Tangible Property without deduction for physical depreciation thereof;

(ii) During the course of construction or repair of any Improvements on the Land, the insurance required by clause (i) above shall be written on a builders risk, completed value, non-reporting form, meeting all of the terms required by clause (i) above, covering the total value of work performed, materials, equipment, machinery and supplies furnished, existing structures, and temporary structures being erected on or near the Land, including coverage against collapse and damage during transit or while being stored off-site, and containing a soft costs (including loss of rents) coverage endorsement and a permission to occupy endorsement;

(iii) Flood insurance if at any time the Improvements are located in any federally designated "special hazard area" (including any area having special flood, mudslide and/or flood-related erosion hazards, and shown on a Flood Hazard Boundary Map or a Flood Insurance Rate Map published by the Federal Emergency Management Agency as Zone A, AO, A1-30, AE, A99, AH, V0, V1-30, VE, V, M or E) and the broad form flood coverage required by clause (i) above is not available, in an amount equal to the full replacement cost or the maximum amount then available under the National Flood Insurance Program;

(iv) Rent loss insurance in an amount sufficient to recover at least (1) the total estimated insurable rental income, for a twelve month period, plus (2) Impositions for a twelve month period to the extent not included in (1) above;

(v) Commercial general liability insurance against claims for personal injury (to include, without limitation, bodily injury and personal injury) and property damage liability, all on an occurrence basis, if available, with such coverages as Mortgagee may request (including, without limitation, contractual liability coverage, completed operations coverage for a period of two (2) years following completion of construction of any Improvements on the Land, and coverages equivalent to an ISO broad form endorsement), with a general aggregate limit of not less than \$2,000,000, a completed operations aggregate limit of not less than \$2,000,000, and a combined single



"per occurrence" limit of not less than \$2,000,000 for bodily injury, property damage and medical payments,

(vi) During the course of construction or repair of any Improvements on the Land, owner's contingent or protective liability insurance covering claims not covered by or under the terms or provisions of the insurance required by clause (v) above,

(vii) Employers liability insurance,

(viii) Umbrella liability insurance with limits of not less than \$25,000,000 to be in excess of the limits of the insurance required by clauses (v), (vi) and (vii) above, with coverage at least as broad as the primary coverages of the insurance required by clauses (v), (vi) and (vii) above, with any excess liability insurance to be at least as broad as the coverages of the lead umbrella policy. All such policies shall be endorsed to provide defense coverage obligations.

(ix) Workmen's compensation insurance for all employees of Mortgagor engaged on or with respect to the Land or Improvements; and

(x) Such other insurance in such form and in such amounts as may from time to time be reasonably required by Mortgagee against other insurable hazards and casualties which at the time are commonly insured against in the case of properties of similar character and location to the Land and the Improvements

Mortgagor shall pay all premiums on insurance policies, and at Mortgagee's option after the occurrence of an Event of Default, shall pay in the manner provided under Paragraph 2 hereof. The insurance policies provided for in clauses (v), (vi) and above shall name Mortgagee as an additional insured and shall contain a cross liability/severability endorsement. The insurance policies provided for in clauses (i), (ii), (iii) and (iv) above shall name Mortgagee as mortgagee and loss payee, shall be first payable in case of loss to Mortgagee, and shall contain mortgage clauses and lender's loss payable endorsements in form and substance acceptable to Mortgagee. Mortgagor shall deliver to Mortgagee certificates evidencing such insurance, and, if requested by Mortgagee, duplicate originals or certified copies of all such policies, and Mortgagor shall promptly furnish to Mortgagee all renewal notices and all receipts of paid premiums. At least thirty (30) days prior to the expiration date of the policies, Mortgagor shall deliver to Mortgagee certificates evidencing renewal policies in form satisfactory to Mortgagee.

(b) All policies of insurance required by this Security Deed shall contain clauses or endorsements to the effect that (i) no act or omission of either Mortgagor or anyone acting for Mortgagor (including, without limitation, any representations made by Mortgagor in the procurement of such insurance), which might otherwise result in a forfeiture of such insurance or any part thereof, no occupancy or use of the Property for purposes more hazardous than permitted by the terms of the policy, and no foreclosure or any other change in title to the Property or any part thereof, shall affect the validity or enforceability of such insurance insofar as Mortgagee is concerned, (ii) the insurer waives any right of setoff, counterclaim, subrogation, or any deduction in respect of any

liability of Mortgagor and Mortgagee, (iii) such insurance is primary and without right of contribution from any other insurance which may be available, (iv) such policies shall not be modified, canceled or terminated without the insurer thereunder giving at least thirty (30) days prior written notice to Mortgagee by certified or registered mail, and (v) that Mortgagee shall not be liable for any premiums thereon or subject to any assessments thereunder, and shall in all events be in amounts sufficient to avoid any coinsurance liability

(c) The insurance required by this Security Deed may be effected through a blanket policy or policies covering additional locations and property of Mortgagor not included in the Property, provided that such blanket policy or policies comply with all of the terms and provisions of this Paragraph 4 and contain endorsements or clauses assuring that any claim recovery will not be less than that which a separate policy would provide, including, without limitation, a priority claim endorsement in the case of property insurance and an aggregate limits of insurance per location endorsement in the case of liability insurance.

(d) All policies of insurance required by this Security Deed shall be issued by companies licensed to do business in the state where the policy is issued and also in the State and having a rating in Best's Key Rating Guide of at least "A" and a financial size category of at least "VIII"

(e) Mortgagor shall not carry separate insurance, concurrent in kind or form or contributing in the event of loss, with any insurance required under this Security Deed unless such insurance complies with the terms and provisions of this Paragraph 4

(f) In the event of any loss or damage to the Property, Mortgagor shall give immediate written notice to the insurance carrier and Mortgagee. Mortgagor may make proof of loss and adjust and compromise any insurance claim so long as no Event of Default has occurred and is continuing, provided that no proof of loss or adjustment or compromise of any claim shall be made except by the Mortgagee (or by Mortgagor with the prior written consent of Mortgagee) if the amount of such loss or claim exceeds \$500,000. Mortgagor hereby irrevocably authorizes and empowers Mortgagee, at Mortgagee's option after the occurrence of an Event of Default and in Mortgagee's sole discretion, as attorney in fact for Mortgagor, to make proof of such loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Mortgagee's reasonable expenses incurred in the collection of such proceeds. Mortgagor further authorizes Mortgagee, at Mortgagee's option, to (i) apply the balance of such proceeds to the payment of the Secured Obligations whether or not then due, or (ii) if Mortgagee shall require the reconstruction or repair of the Property, to hold the balance of such proceeds to be used to pay Impositions and the Secured Obligations as they become due during the course of reconstruction or repair of the Property and to reimburse Mortgagor, in accordance with such terms and conditions as Mortgagee may prescribe, for the costs of reconstruction or repair of the Property, and upon completion of such reconstruction or repair to apply any excess to the payment of the Secured Obligations. Notwithstanding the foregoing, Mortgagee agrees that as long as there is no Event of

Default hereunder or under any of the other Loan Documents given in connection herewith, it will allow insurance proceeds to be applied to the restoration of the buildings. If under Paragraph 22 hereof the Property is sold or the Property is acquired by Mortgagee, all right, title and interest of Mortgagor in and to any insurance policies and unearned premiums thereon and in and to the proceeds thereof resulting from loss or damage to the Property prior to the sale or acquisition, shall pass to Mortgagee or any other successor in interest to Mortgagor or purchaser or grantor of the Property but receipt of any insurance proceeds and any disposition of the same by Mortgagee shall not constitute a waiver of any rights of Mortgagee, statutory or otherwise, and specifically shall not constitute a waiver of the right of foreclosure by Mortgagee in the Event of Default or failure of performance by Mortgagor of any of the Secured Obligations.

5. Preservation and Maintenance Mortgagor (a) shall not permit or commit waste, impairment, or deterioration of the Property or abandon the Property, (b) shall restore or repair promptly and in a good and workmanlike manner all or any part of the Property in the event of any damage, injury or loss thereto, to the equivalent of its condition prior to such damage, injury or loss, or such other condition as Mortgagee may approve in writing, provided that Mortgagee shall release net insurance proceeds, to the extent actually received by Mortgagee, to Mortgagor (provided, however, the insufficiency of such proceeds shall not relieve Mortgagor of its obligations to restore hereunder), (c) shall keep the Property, including the Improvements and the Tangible Property, in good order, repair and tenantable condition and shall replace fixtures, equipment, machinery and appliances on the Property when necessary to keep such items in good order, repair, and tenantable condition, and (d) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property. Mortgagor covenants and agrees to give Mortgagee prompt notice of any non-compliance with such laws, ordinances, regulations or requirements and of any notice of non-compliance therewith which it receives or any threatened or pending proceedings in respect thereto or with respect to the Property (including, without limitation, changes in zoning). Mortgagor shall not and shall not permit any tenant to remove, demolish or alter any Improvements now existing or hereafter erected on the Property or any Tangible Property in or on the Property except when incident to the replacement of Tangible Property with items of like kind. Mortgagor further covenants and agrees that, without the prior written consent of Mortgagee, herein, no part of the Property shall be declared, or become the subject of, a condominium under the condominium laws of the State, as such laws may be amended or supplemented, or become the subject of any covenants or restrictions, or any planned unit development, or any other type of development that would control or restrict the uses to which the Land and Improvements may be put or the scheme or arrangement or its development or the design, location or character of its buildings or improvements, or which would impose obligations or assessments of any type upon any owners or tenants of the Property, or upon any other parties who may use or enjoy the Property.

6. Transfers Mortgagor will not, directly or indirectly, voluntarily or involuntarily, without the prior written consent of Mortgagee in each instance, except in the ordinary course of business with respect to leases or as may specifically be permitted in the Credit Agreement: (a) sell, convey, assign, transfer, lease, option, mortgage, pledge, hypothecate or dispose of the Property, or any part thereof or interest therein, except as expressly permitted by the terms of this Security Deed, or (b) create or suffer to be created or to exist any lien, encumbrance, security

interest, mortgage, pledge, restriction, attachment or other charge of any kind upon the Property, or any part thereof or interest therein, except for Permitted Encumbrances

7. Hazardous Materials Warranties and Indemnification

(a) Definitions The following definitions shall apply for purposes of this Security Deed:

(i) "Environmental Laws" shall mean and include each and every federal, state or local statute, regulation or ordinance or any judicial or administrative decree or decision, whether now existing or hereafter enacted, promulgated or issued, with respect to any Hazardous Materials (as hereinafter defined), drinking water, groundwater, wetlands, landfills, open dumps, storage tanks, underground storage tanks, solid waste, waste water, storm water run-off, waste emissions or wells. Without limiting the generality of the foregoing, the term shall encompass each of the following statutes and regulations promulgated thereunder as well as any amendments and successors to such statutes and regulations, as may be enacted and promulgated from time to time: (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (codified in scattered sections of 26 U.S.C., 33 U.S.C., 42 U.S.C. and 42 U.S.C. §9601 et seq.); (ii) the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901 et seq.); (iii) Hazardous Materials Transportation Act (49 U.S.C. §1801 et seq.); (iv) the Toxic Substances Control Act (15 U.S.C. §2061 et seq.); (v) the Clean Water Act (33 U.S.C. §1251 et seq.); (vi) the Clean Air Act (42 U.S.C. §7401 et seq.); (vii) the Safe Drinking Water Act (21 U.S.C. §349, 42 U.S.C. §201 and §300f et seq.); (viii) the National Environmental Policy Act of 1969 (42 U.S.C. §4321); (ix) the Superfund Amendment and Reauthorization Act of 1986 (codified in scattered sections of 10 U.S.C., 29 U.S.C., 33 U.S.C. and 42 U.S.C.); (x) Title III of the Superfund Amendment and Reauthorization Act (40 U.S.C. §1101 et seq.); (xi) all applicable Environmental Laws of the State.

(ii) "Environmental Report" shall mean the environmental site assessment report (and any other reports relating to environmental conditions) relating to the Land and the Improvements delivered by Mortgagor and listed on Schedule 6.18 of the Credit Agreement.

(iii) "Hazardous Materials" shall mean each and every element, compound, chemical mixture, contaminant, pollutant, material, waste or other substance which is defined, determined or identified as hazardous or toxic under any Environmental Law. Without limiting the generality of the foregoing, the term shall mean and include:

(A) "hazardous substances" as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Superfund Amendment and Reauthorization Act of 1986, or Title III of the Superfund Amendment and Reauthorization Act, each as amended, and regulations promulgated thereunder,

(B) "hazardous waste" as defined in the Resource Conservation and Recovery Act of 1976, as amended, and regulations promulgated thereunder,

(C) "hazardous materials" as defined in the Hazardous Materials Transportation Act, as amended, and regulations promulgated thereunder.

(D) "chemical substance or mixture" as defined in the Toxic Substances Control Act, as amended, and regulations promulgated thereunder.

(iv) "Indemnified Parties" shall mean Mortgagee, Lenders, their respective parents, subsidiaries and affiliates, and their respective shareholders, directors, officers, employees and agents, and the successors and assigns of any of them, and "Indemnified Party" shall mean any one of the Indemnified Parties

(v) "Release" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or discarding, burying, abandoning, or disposing into the environment in violation of Environmental Laws or otherwise requiring action to prevent or mitigate damage or threat to the public health, welfare, safety or the environment

(vi) "Threat of Release" shall mean a substantial likelihood of a Release which requires action to prevent or mitigate damage to the environment which may result from such Release.

(b) ~~Environmental Representations and Warranties of Mortgagor~~ Mortgagor represents and warrants to Mortgagee, except as set forth in the Environmental Report, as follows:

(i) To the best knowledge of Mortgagor no condition, activity or conduct exists on or in connection with the Property which constitutes a violation of any Environmental Law

(ii) To the best knowledge of Mortgagor, there has been no Release or Threat of Release of any Hazardous Materials on, upon or into the Property, nor, to the best of Mortgagor's knowledge, has there been any such Release or Threat of Release of any Hazardous Materials on, upon or into any real property in the vicinity of the Property which, through soil or groundwater migration, could reasonably be expected to come to be located on the Property.

(iii) To the best knowledge of Mortgagor, there are no existing or closed underground storage tanks on the Property

(iv) To the best knowledge of Mortgagor, none of the following are located in, on, under or constitute a part of the Property in violation of any Environmental Laws: asbestos or asbestos-containing material in friable form or condition; urea formaldehyde insulation; transformers or other equipment which contain fluid containing polychlorinated biphenyls; or leaded paint.

(v) To the best knowledge of Mortgagor, there are no existing or closed sanitary landfills, solid waste disposal sites, or hazardous waste treatment, storage or disposal facilities on or affecting the Property.

(vi) No notice has been issued to Mortgagor by any agency, authority, or unit of government that Mortgagor has been identified as a potentially responsible party under any Environmental Law.

(vii) To the best knowledge of Mortgagor, there exists no investigation, action, proceeding, or claim by any agency, authority, or unit of government or by any third party which could result in any liability, penalty, sanction, or judgment under any Environmental Law with respect to any condition, use or operation of the Property or any other real property owned, leased or operated by Mortgagor which, in the case of such other property, would have a material adverse effect on Mortgagor's financial condition.

(viii) To the best knowledge of Mortgagor, there has been no claim by any party that any use, operation, or condition of the Property has caused any nuisance or any other liability or adverse condition on any other property.

(c) Environmental Covenants of Mortgagor. The Mortgagor covenants and agrees with Mortgagee that Mortgagor shall

(i) comply with all Environmental Laws,

(ii) not store (except in compliance with all Environmental Laws pertaining thereto), dispose of, Release or allow the Release of any Hazardous Materials on the Property;

(iii) neither directly nor indirectly transport or arrange for the transport of any Hazardous Materials (except in compliance with all Environmental Laws pertaining thereto), and

(iv) upon the request of Mortgagee, take all such action (including, without limitation, the conducting of environmental assessments at the sole expense of the Mortgagor in accordance with subparagraph (c) hereof) to confirm that there are no violations of Environmental Laws with respect to the Property and that there are no Hazardous Materials present in amounts requiring action to prevent or mitigate damage or threats to the public health, welfare, safety or the environment

(v) comply with all recommendations set forth in the Environmental Report including, without limitation those relating to further investigation and monitoring, and to promptly notify Mortgagee of the results of any such further investigations or monitoring, and to comply with all recommendations made based on such results

(d) Environmental Indemnity. Mortgagor covenants and agrees, at Mortgagor's sole cost and expense, to indemnify, defend (at trial and appellate levels, and with attorneys, consultants and experts reasonably acceptable to Mortgagee) and hold each Indemnified Party harmless from and against any and all liens, damages, losses, liabilities, obligations, settlement payments, penalties, assessments, citations, directives, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements or

expenses of any kind or of any nature whatsoever (including, without limitation, reasonable attorneys', consultants' and experts' fees and disbursements incurred in investigating, defending, settling or prosecuting any claim, litigation or proceeding) which may at any time be imposed upon, incurred by or asserted or awarded against such Indemnified Party or the Property and arising directly or indirectly from or out of: (A) the Release or Threat of Release of any Hazardous Materials on, in, under or affecting all or any portion of the Property or any surrounding areas, regardless of whether or not caused by or within the control of Mortgagor; (B) the violation of any Environmental Laws relating to or affecting the Property or the Mortgagor, whether or not caused by or within the control of Mortgagor; (C) the failure of Mortgagor to comply fully with the terms and conditions of this Paragraph 7; (D) the violation of any Environmental Laws in connection with other real property of Mortgagor which gives or may give rise to any rights whatsoever in any party with respect to the Property by virtue of any Environmental Laws; (E) the breach of any representation or warranty contained in this Paragraph 7; or (F) the enforcement of this Paragraph 7, including, without limitation (i) the costs of assessment, containment and/or removal of any and all Hazardous Materials from all or any portion of the Property or any surrounding areas, (ii) the costs of any actions taken in response to a Release or Threat of Release of any Hazardous Materials on, in, under or affecting all or any portion of the Property or any surrounding areas to prevent or minimize such Release or Threat of Release so that it does not migrate or otherwise cause or threaten danger to present or future public health, safety, welfare or the environment, and (iii) costs incurred to comply with the Environmental Laws in connection with all or any portion of the Property or any surrounding areas. Mortgagee's rights under this Paragraph shall be in addition to all other rights of Mortgagee under this Security Deed, the Notes, the Credit Agreement, and the other Loan Documents and payments by Mortgagor under this Paragraph shall not reduce Mortgagor's obligations and liabilities under any of the Loan Documents.

(e) Notice to Mortgagee. If Mortgagor receives any notice or obtains knowledge of (i) any potential or known Release or Threat of Release of any Hazardous Materials at or from the Property, notification of which must be given to any governmental agency under any Environmental Law, or notification of which has, in fact, been given to any governmental agency, or (ii) any complaint, order, citation or notice with regard to air emissions, water discharges, or any other environmental health or safety matter affecting Mortgagor or the Property (an "Environmental Complaint") from any person or entity (including, without limitation, the Environmental Protection Agency), then Mortgagor shall immediately notify Mortgagee orally and in writing of said Release or Threat of Release or Environmental Complaint. Upon such notification, Mortgagee may, at its election without regard to whether an Event of Default has occurred, obtain one or more environmental assessments of the Property prepared by a geohydrologist, an independent engineer or other qualified consultant or expert approved by the Mortgagee which evaluates or confirms (i) whether any Hazardous Materials are present in the soil or water at or adjacent to the Property, and (ii) whether the use and operation of the Property comply with all Environmental Laws. Environmental assessments may include detailed visual inspections of the Property, including, without limitation, any and all storage areas, storage tanks, drains, dry wells and leaching areas, and the taking of soil samples, surface water samples and ground water samples, as well as such other investigations or analyses

as are reasonably necessary for a determination of the compliance of the Property and the use and operation thereof with all applicable Environmental Laws. All such environmental assessments shall be at the cost and expense of the Mortgagor. To the extent necessary to allow the Mortgagee to obtain the environmental assessments provided for herein, the Mortgagor agrees that the Mortgagee and the representatives and agents of the Mortgagee shall have a right to enter upon, visit and inspect the Property.

(f) Survival, Assignability, and Transferability.

(i) The warranties, representations and indemnity set forth in subparagraphs (b) and (d) of this Paragraph 7 shall survive the payment and performance of the Secured Obligations and any exercise by Mortgagee of any remedies under this Security Deed, including without limitation, the power of sale, or any other remedy in the nature of foreclosure, and shall not merge with any deed given by Mortgagor to Mortgagee in lieu of foreclosure or any deed under a power of sale.

(ii) It is agreed and intended by Mortgagor and Mortgagee that the warranties, representations, and indemnity set forth above in subparagraphs (b) and (d) of this Paragraph 7 may be assigned or otherwise transferred by Mortgagee to its successors and assigns and to any subsequent purchasers of all or any portion of the Property by, through or under Mortgagee, without notice to Mortgagor and without any further consent of Mortgagor. To the extent consent or any such assignment or transfer is required by law, advance consent to any such assignment or transfer is hereby given by Mortgagor in order to maximize the extent and effect of the warranties, representations, and indemnity given hereby.

8. Use of Property. Mortgagor shall not initiate or acquiesce in a change in the zoning classification of the Property or subject the Property to restrictive or negative covenants without Mortgagee's written consent, which consent shall not be unreasonably withheld. Mortgagor shall comply with, observe and perform in all material respects all zoning and other laws affecting the Property, all restrictive covenants affecting the Property, and all licenses and permits affecting the Property.

9. Protection of Mortgagee's Security. If Mortgagor fails to perform the covenants and agreements contained in this Security Deed, or if any action or proceeding is commenced which materially, adversely affects the Property or title thereto or the interest of Mortgagee thereon, including, but not limited to, eminent domain, insolvency, code enforcement or arrangements or proceedings involving a bankrupt or decedent, then Mortgagee at Mortgagee's option may make such appearances, disburse such sums and take such action as Mortgagee deems necessary to protect Mortgagee's interest, including, but not limited to, disbursement of reasonable attorneys' fees, payment, contest or compromise of any lien or security interest which is prior to the lien or security interest of this Security Deed, and after the occurrence of an Event of Default, Mortgagee may enter the Property to make repairs. At its option, and without limitation, Mortgagee may pay any Impositions, or provide for the maintenance and preservation of the Property. Any amounts disbursed by Mortgagee pursuant to this Paragraph 9, with interest thereon, shall become a portion of the Secured Obligations. Unless Mortgagor and Mortgagee agree to other terms of payment, such amounts shall be payable within ten (10) days after notice



from Mortgagee to Mortgagor requesting payment thereof and shall bear interest from the date of disbursement at the rate applicable to overdue amounts stated in the Credit Agreement unless collection from Mortgagor of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Mortgagor under applicable law. Mortgagor shall have the right to prepay such amounts in whole or in part at any time. Nothing contained in this Paragraph 9 shall require Mortgagee to incur any expense or do any act.

10 Inspection Mortgagee may, at Mortgagor's expense, make or cause to be made reasonable entries upon and inspections of the Property during normal business hours, or at any other time when necessary to protect or preserve the Property.

#### 11 Books and Records

(a) Mortgagor shall keep and maintain at all times at Mortgagor's address stated in this Security Deed, or such other place as Mortgagee may approve in writing, complete, proper and accurate records and books of account in which full, true and correct entries shall be made in accordance with generally accepted accounting principles reflecting the results of the operation of the Property, and copies of all written contracts, leases and other instruments which affect the Property. Such records, books of account, contracts, leases and other instruments shall be subject to examination, inspection and copying by Mortgagee at any reasonable time by Mortgagee and at Mortgagor's expense provided that prior to an Event of Default Mortgagor need not pay for such examinations or inspections more frequently than once per year.

(b) Upon request of Mortgagee in writing, Mortgagor shall promptly provide Mortgagee with all documents reasonably requested by Mortgagee in the form normally maintained by Mortgagor consistent with industry practices and as may reasonably relate to the Property or the construction, use, maintenance, operation or condition thereof, or the financial condition of Mortgagor or any party obligated on the Notes or under any guaranty, including, without limitation, all leases or leasehold interests granted to or by Mortgagor, rent rolls and tenant lists, rent and damage deposit ledgers and operating statements.

12 Condemnation If the Property, or any substantial portion thereof which materially affects the business operations conducted on the Property, shall be damaged or taken through condemnation (which term, when used in this Security Deed, shall include any damage or taking by any governmental authority, quasi-governmental authority, any party having the power of condemnation, or any transfer by private sale in lieu thereof), either temporarily or permanently, the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation, or other taking of the Property, or part thereof, or for conveyances in lieu of condemnation, are hereby assigned and shall be paid to Mortgagee. Mortgagor authorizes Mortgagee, at Mortgagee's option after the occurrence of an Event of Default, as attorney in fact for Mortgagor, to commence, appear in and prosecute, in Mortgagee's or Mortgagor's name, any action or proceeding relating to any condemnation or other taking of the Property and to settle or compromise any claim in connection with such condemnation or other taking. Mortgagor authorizes Mortgagee to apply such awards, proceeds or damages, after the deduction of

Mortgagee's expenses incurred in the collection of such amounts, at Mortgagee's option, to restoration or repair of the Property or to payment of the Secured Obligations, whether or not then due, with the balance, if any, to Mortgagor. Mortgagor agrees to execute such further assignment of any awards, proceeds, damages or claims arising in connection with such condemnation or injury that Mortgagee may reasonably require.

13. Mortgagor and Lien Not Released. From time to time, without affecting the obligation of Mortgagor or Mortgagor's successors or assigns to pay the Secured Obligations and to observe the covenants of Mortgagor contained in this Security Deed and the other Loan Documents, and without affecting the guaranty of any person, corporation, partnership or other entity for payment or performance of the Secured Obligations, and without affecting the lien or priority of lien of this Security Deed on the Property, Mortgagee may, at Mortgagee's option, without giving notice to or obtaining the consent of Mortgagor, Mortgagor's successors or assigns or of any guarantor, and without liability on Mortgagee's part, grant extensions or postponements of the time for payment of the Secured Obligations or any part thereof, release anyone liable on any of the Secured Obligations, accept a renewal note or notes therefor, release from this Security Deed any part of the Property, take or release other or additional security, reconvey any part of the Property, consent to any map or plat or subdivision of the Property, consent to the granting of any easement, join in any extension or subordination agreement and agree in writing with Mortgagor to modify the rate of interest or terms and time of payment of the Notes or change the amount of the monthly installments payable thereunder. Mortgagor shall pay Mortgagee such title insurance premiums and reasonable attorneys' fees as may be incurred, at Mortgagee's option, for any such action if taken at Mortgagor's request.

14. Forbearance Not Waiver. Any forbearance by Mortgagee in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy hereunder. The procurement of insurance or the payment of taxes or other liens or charges by Mortgagee shall not be a waiver of Mortgagee's right to accelerate the maturity of the Secured Obligations. Mortgagee's receipt of any awards, proceeds or damages under Paragraphs 4 and 12 hereof shall not operate to cure or waive Mortgagor's default in payment of the Secured Obligations.

15. Estoppel Certificates. Mortgagor shall within ten (10) days of a written request from Mortgagee furnish Mortgagee with a written statement, duly acknowledged, setting forth the amount of the Secured Obligations and any right of set-off, counterclaim or other defense which may exist or be claimed by Mortgagor against the Secured Obligations and the obligations of Mortgagor under this Security Deed.

16. Security Agreement. Insofar as any item of property included in the Property which is or might be deemed to be "personal property" is concerned, this Security Deed is hereby made and declared to be a security agreement, granting a security interest in and to each and every item of such property included in the Property (hereinafter collectively referred to as the "Collateral"), in compliance with the provisions of the Uniform Commercial Code as enacted in the State. A financing statement or statements reciting this Security Deed to be a security agreement, covering all of the Collateral, shall be executed by Mortgagor and Mortgagee and appropriately filed. The remedies for any violation of the covenants, terms and conditions of the security agreement herein contained shall be (i) as prescribed herein, or (ii) as prescribed by

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general law, or (iii) as prescribed by the specific statutory consequences now or hereafter enacted and specified in said Uniform Commercial Code, all at Mortgagee's sole election. Mortgagor and Mortgagee agree that the filing of such financing statement(s) in the records normally having to do with personal property shall never be construed as in any wise derogating from or impairing this declaration and hereby stated intention of Mortgagor and Mortgagee that everything used in connection with the production of income from the Property and/or adapted for use therein and/or which is described or reflected in this Security Deed, is, and at all times and for all purposes and in all proceedings both legal or equitable shall be, regarded as part of the real estate irrespective of whether (i) any such item is physically attached to the Land or the Improvements, (ii) serial numbers are used for the better identification of certain items capable of being thus identified in a recital contained herein, or (iii) any such item is referred to or reflected in any such financing statement(s) so filed at any time. Similarly, the mention in any such financing statement(s) of the rights in and to the proceeds of any hazard insurance policy, or any award in eminent domain proceedings for a taking or for loss of value, or Mortgagor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the Property, whether pursuant to lease or otherwise, shall never be construed as in any wise altering any of the rights of Mortgagee as determined by this instrument or impugning the priority of Mortgagee's lien granted hereby or by any other recorded document, but such mention in such financing statement(s) is declared to be for the protection of Mortgagee in the event any court shall at any time hold, with respect to any such matter, that notice of Mortgagee's priority of interest, to be effective against a particular class of persons, must be filed in the records of the Uniform Commercial Code kept with the Secretary of State of the State.

Mortgagor warrants that (i) Mortgagor's identity or organizational structure and residence or principal place of business are as set forth in Exhibit B attached hereto and by this reference made a part hereof; (ii) Mortgagor has been using or operating under said name, identity or organizational structure without change for the time period set forth in Exhibit B attached hereto and by this reference made a part hereof; and (iii) the location of all collateral constituting fixtures is upon the Land. Mortgagor covenants and agrees that Mortgagor will furnish Mortgagee with notice of any change in name, identity, organizational structure, residence or principal place of business within thirty (30) days of the effective date of any such change and Mortgagor will promptly execute any financing statements or other instruments deemed necessary by Mortgagee to prevent any filed financing statement from becoming misleading or losing its perfected status. The information contained in this Paragraph 16 is provided in order that this Security Deed shall comply with the requirements of the Uniform Commercial Code, as enacted in the State, for instruments to be filed as financing statements. The names of the "Mortgagor" and the "Mortgagee", the identity or organizational structure and residence or principal place of business of "Mortgagor", and the time period for which "Mortgagor" has been using or operating under said name and identity or organizational structure without change, are as set forth in Schedule 1 of Exhibit B attached hereto and by this reference made a part hereof; the mailing address of the "Mortgagee" from which information concerning the security interest may be obtained, and the mailing address of "Mortgagor", are as set forth in Schedule 2 of said Exhibit B attached hereto; and a statement indicating the types, or describing the items, of collateral is set forth in this Security Deed.

#### 17 Leases and Revenues

(a) As part of the consideration for the Secured Obligations, Mortgagor has absolutely and unconditionally assigned and transferred to Mortgagee all of Mortgagor's right, title and interest in and to the Leases and the Revenues, including those now due, past due or to become due by virtue of any Lease for the occupancy or use of all or any part of the Property. Mortgagor hereby authorizes Mortgagee or Mortgagee's agents to collect the Revenues and hereby directs such tenants, lessees and licensees of the Property to pay the Revenues to Mortgagee or Mortgagee's agents, provided, however, that prior to written notice given by Mortgagee to Mortgagor of any Event of Default by Mortgagor, Mortgagor shall collect and receive the Revenues as trustee for the benefit of Mortgagee, to apply the Revenues so collected to the Secured Obligations, to the extent then due, with the balance, so long as no Event of Default has occurred, to the account of Mortgagor. Mortgagor agrees that each and every tenant, lessee and licensee of the Property shall pay, and hereby irrevocably authorizes and directs each and every tenant, lessee and licensee of the Property to pay, the Revenues to Mortgagee or Mortgagee's agents on Mortgagee's written demand therefor without any obligation on the part of said tenant, lessee or licensee to inquire as to the existence of an Event of Default and notwithstanding any notice or claim of Mortgagor to the contrary, and Mortgagor agrees that Mortgagor shall have no right or claim against said tenant, lessee or licensee for or by reason of any Revenues paid to Mortgagee following receipt of such written demand.

(b) Mortgagor hereby covenants that Mortgagor has not executed any prior assignment of the Leases or the Revenues, that Mortgagor has not performed, and will not perform, any acts or has not executed, and will not execute, any instruments which would prevent Mortgagee from exercising the rights of holder under this Security Deed, and that at the time of execution of this Security Deed, there has been no anticipation or prepayment of any of the Revenues for more than one (1) month prior to the due dates of such Revenues other than in the ordinary course of Mortgagor's business. Mortgagor further covenants that Mortgagor will not hereafter collect or accept payment of any Revenues more than one (1) month prior to the due dates of such Revenues, other than in the ordinary course of Mortgagor's business.

(c) Mortgagor agrees that neither the foregoing assignment of Leases and Revenues nor the exercise of any of Mortgagee's rights and remedies under Paragraph 22 hereof shall be deemed to make Mortgagee a mortgagee-in-possession or otherwise responsible or liable in any manner with respect to the Leases, the Property or the use, occupancy, enjoyment or operation of all or any portion thereof, unless and until Mortgagee, its person or by agent, assumes actual possession thereof. Nor shall the appointment of any receiver for the Property by any court at the request of Mortgagee or by agreement with Mortgagor, or the entering into possession of any part of the Property by such receiver, be deemed to make Mortgagee a mortgagee-in-possession or otherwise responsible or liable in any manner with respect to the Leases, the Property or the use, occupancy, enjoyment or operation of all or any portion thereof.

(d) If Mortgagee or a court-appointed receiver enters upon, takes possession of and maintains control of the Property pursuant to Paragraph 22 hereof, all Revenues thereafter collected shall be applied first to the costs of taking control of and managing the Property and collecting the Revenues, including, but not limited to, reasonable

attorneys' fees actually incurred, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, Impositions and other charges on the Property, and the costs of discharging any obligation or liability of Mortgagor as landlord, lessor or licensor of the Property and then to the Secured Obligations. Mortgagee or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those Revenues actually received. Mortgagee shall not be liable to Mortgagor, anyone claiming under or through Mortgagor or anyone having an interest in the Property by reason of anything done or left undone by Mortgagee pursuant to Paragraph 22 hereof. If the Revenues are not sufficient to meet the costs of taking control of and managing the Property and collecting the Revenues, any monies expended by Mortgagee for such purposes shall become a portion of the Secured Obligations. Unless Mortgagee and Mortgagor agree in writing to other terms of payment, such amounts shall be payable upon notice from Mortgagee to Mortgagor requesting payment thereof and shall bear interest from the date of disbursement at the default rate stated in the Credit Agreement unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Mortgagor under applicable law. The entering upon and taking possession of and maintaining of control of the Property by Mortgagee or the receiver pursuant to Paragraph 22 hereof and the application of Revenues as provided herein shall not cure or waive any Event of Default or invalidate any other right or remedy of Mortgagee hereunder.

18. Leases of the Property Mortgagor will not include in any Leases any purchase option or right of first refusal to purchase the Property or any portion thereof. Mortgagor will not enter into any Major Lease (as defined in the Credit Agreement) of all or any portion of the Property or amend, supplement or otherwise modify, or terminate or cancel, or accept the surrender of, or consent to the assignment or subletting of, or grant any concessions to or waive the performance of any obligations of any tenant, lessee or licensee under, any now existing or future Major Lease of the Property, without such consent as may be required by the Credit Agreement. Mortgagor, at Mortgagee's request, shall furnish Mortgagee with executed copies of all Leases (if in writing) presently existing or hereafter made of all or any part of the Property. Upon Mortgagee's request, Mortgagor shall make a separate and distinct assignment to Mortgagee, as additional security, of all Leases hereafter made of all or any part of the Property.

19. Leasehold Estate Mortgagor is the tenant under a leasehold estate at the Premises pursuant to a lease agreement described on Exhibit C (as the same may be amended, modified or otherwise supplemented from time to time, the "Air Rights Lease"). Mortgagor hereby covenants, represents and warrants to Mortgagee with respect to the Air Rights Lease as follows:

(a) No default by Mortgagor as lessee has occurred and is continuing under the Air Rights Lease and no event has occurred which, with the passage of time or service of notice, or both would constitute an event of default under the Air Rights Lease. The Air Rights Lease is in full force and effect. Mortgagor has provided (or within 5 days from the date hereof shall provide) such lessor with the notice permitted to be given to such lessor with respect to this Security Deed pursuant to Section 11.2 of the Air Rights Lease.

together with copies of all documents required to be delivered to such lessor with respect to this Security Deed under the terms of the Air Rights Lease.

(b) All rents, additional rents, percentage rents and all other charges due and payable under the Air Rights Lease have been fully paid through a date no earlier than 30 days before the date hereof.

(c) Mortgagor is the owner of the entire lessee's interest in and under the Air Rights Lease and has the right and authority under the Air Rights Lease to execute this Security Deed and to encumber Mortgagor's interest therein.

(d) Mortgagor shall, at its sole cost and expense, promptly and timely perform and observe all the terms, covenants and conditions required to be performed and observed by Mortgagor as lessee under the Air Rights Lease (including, but not limited to, the payment of all rent, additional rent, percentage rent and other charges required to be paid under the Air Rights Lease).

(e) If Mortgagor shall violate any of the covenants specified in Paragraph 19(d) above, Mortgagor grants Mortgagee the right (but not the obligation), to take any action as may be necessary to prevent or cure any default of Mortgagor under the Air Rights Lease, if necessary to protect Mortgagee's interest hereunder, and Mortgagee shall have the right to enter all or any portion of the Premises at such times and in such manner as Mortgagee deems necessary, in order to prevent or to cure any such default. Mortgagee may exercise its rights under this Paragraph 19(e) at any time after Mortgagor shall have (i) received from the lessor under the Air Rights Lease or any other Person notice of such default, and (ii) failed to promptly commence curing such default.

(f) No action or payment taken or made by Mortgagee to prevent any default by Mortgagor under the Air Rights Lease shall remove or waive, as between Mortgagor and Mortgagee, the default which occurred hereunder by virtue of the default by Mortgagor under the Air Rights Lease. All sums actually expended by Mortgagee in accordance with the terms of this Paragraph 19 in order to cure any such default shall be paid by Mortgagor to Mortgagee, within ten (10) days of Mortgagee's written demand, with interest thereon at the rate applicable to overdue amounts under the Credit Agreement. All such indebtedness shall be deemed to be secured by this Security Deed.

(g) Mortgagor shall, promptly upon obtaining knowledge of the following events, notify Mortgagee promptly in writing of (i) the occurrence of any material default by the lessor under the Air Rights Lease or the occurrence of any event which, with the passage of time or service of notice, or both, would constitute a material default by the lessor under the Air Rights Lease, and (ii) the receipt by Mortgagor of any notice (written or otherwise) from the lessor under the Air Rights Lease noting or claiming the occurrence of any default by Mortgagor under the Air Rights Lease or the occurrence of any event which, with the passage of time or service of notice, or both, would constitute a default by Mortgagor under the Air Rights Lease. Mortgagor shall deliver to Mortgagee a copy of any such written notice of default.

(h) Promptly upon demand by Mortgagee from time to time, Mortgagor shall use reasonable efforts (other than payment to the lessor) to obtain from the lessor under the Air Rights Lease and furnish to Mortgagee the estoppel certificate of such lessor stating the date through which rent has been paid and whether or not there are any defaults under its lease and specifying the nature of such claimed defaults, if any.

(i) Mortgagor shall promptly notify Mortgagee, in writing, of any request made by either party to the Air Rights Lease for arbitration or appraisal proceedings pursuant to the Air Rights Lease and of the institution of any arbitration or appraisal proceedings, as well as of all proceedings thereunder, and shall promptly deliver to Mortgagee a copy of the determination of the arbitrators or appraisers in each such arbitration or appraisal proceeding. Mortgagee shall have the right (but not the obligation), following the delivery of written notice by Mortgagor, to participate in the appointment of any arbitrator or appraiser to be appointed by Mortgagor and (to the extent permitted under the Air Rights Lease) to participate (at Mortgagee's expense unless an Event of Default shall have occurred and be continuing, in which case at Mortgagor's expense) in such arbitration or appraisal proceedings in association with Mortgagor or on its own behalf as an interested party. Mortgagor shall promptly notify Mortgagee, in writing, upon learning of the institution of any legal proceedings involving obligations under the Air Rights Lease. Mortgagee may intervene (at Mortgagee's expense unless an Event of Default shall have occurred and be continuing, in which case at Mortgagor's expense) in any such legal proceedings and be made a party to them. Mortgagor shall promptly provide Mortgagee with a copy of any decision rendered in connection with such proceedings.

(j) Mortgagor shall promptly execute, acknowledge and deliver to Mortgagee such instruments as may reasonably be required to permit Mortgagee (i) to cure any default under the Air Rights Lease or (ii) to take such other action required to enable Mortgagee to cure or remedy the matter in default and preserve the security interest of Mortgagee under this Mortgage with respect to the Air Rights Lease. Mortgagor hereby irrevocably appoints Mortgagee as its true and lawful attorney-in-fact, coupled with an interest and with full power of substitution, to do, in its name or otherwise, any and all acts and to execute any and all documents (in each case only upon Mortgagor's failure or refusal to do so) which are necessary to preserve any rights of Mortgagor under or with respect to the Air Rights Lease, including, without limitation, the right to effectuate any extension or renewal of the Air Rights Lease, or to preserve any rights of Mortgagor whatsoever in respect of any part of the Air Rights Lease.

(k) Mortgagor shall not, without Mortgagee's prior written consent, surrender, terminate, forfeit, or suffer or permit the surrender, termination or forfeiture of, or change, modify or amend in a material or adverse manner, the Air Rights Lease. Consent to one amendment, change, agreement or modification shall not be deemed to be a waiver of the right to require consent to other, future or successive amendments, changes, agreements or modifications. The acquisition by Mortgagor or any affiliate of Mortgagor of any lessor's interest in the Air Rights Lease or of any fee holder's interest in the property Air Rights to the Air Rights Lease shall not require Mortgagee's consent and shall not be a breach of the covenants set forth in this subparagraph (k) provided that: (i) such

acquisition is accomplished by Mortgagor in such a manner so as to avoid a merger of the interests of lessor and lessee in the Air Rights Lease, and (ii) Mortgagor, concurrently with the consummation of such acquisition, executes and records an instrument sufficient in Mortgagee's sole discretion to extend and spread the lien of this Security Deed to encumber such acquired interest as a first priority mortgage lien. To the full extent permitted under applicable law, whether or not Mortgagor has executed and recorded the instrument described in the preceding sentence, this Security Deed shall automatically be a lien on such acquired interest.

(l) Notwithstanding anything to the contrary herein contained with respect to the Air Rights Lease.

(i) The lien of this Security Deed attaches to all of Mortgagor's rights and remedies at any time arising under or pursuant to Subsection 365(h) of the Bankruptcy Code, including, without limitation, all of Mortgagor's rights to remain in possession of the leased premises.

(ii) Mortgagor shall not, without Mortgagee's written consent, elect to treat the Air Rights Lease as terminated under Subsection 365(h)(1) of the Bankruptcy Code. Any such election made without Mortgagee's prior written consent shall be void. If any lessor of the Air Rights Lease rejects the Air Rights Lease under Section 365 of the Bankruptcy Code, Mortgagor shall remain in possession of the Premises. Neither the Lien of this Security Deed nor Mortgagee's rights with respect to the Air Rights Lease shall be affected or impaired by any lessor's rejection of the Air Rights Lease under Section 365 of the Bankruptcy Code.

(iii) As security for the Secured Obligations, Mortgagor hereby unconditionally assigns, transfers and sets over to Mortgagee all of Mortgagor's claims and rights to the payment of damages arising from any rejection by any lessor of the Air Rights Lease under the Bankruptcy Code. Mortgagee and Mortgagor shall proceed jointly or in the name of Mortgagor (and Mortgagor hereby irrevocably appoints Mortgagee as its attorney-in-fact, coupled with an interest and with full power of substitution, from and after the occurrence of an Event of Default, to proceed in the name of Mortgagor and to otherwise take such actions as Mortgagee may deem necessary or desirable) in respect of any claim, suit, action or proceeding relating to the rejection of the Air Rights Lease, including, without limitation, the right to file and prosecute any proofs of claim, complaints, motions, applications, notices and other documents in any case in respect of such lessor under the Bankruptcy Code. This assignment constitutes a present, irrevocable and unconditional assignment of the foregoing claims, rights and remedies, and shall continue in effect until this Security Deed has been released of record or all of the Secured Obligations secured by this Security Deed shall have been satisfied and discharged in full. Any amounts received by Mortgagee or Mortgagor as damages arising out of the rejection of the Air Rights Lease as aforesaid shall be applied first to all reasonable costs and expenses of Mortgagee (including, without limitation, attorneys' fees and costs) incurred in connection with the exercise of any of its rights or remedies under this Section 1.12L, and then in accordance with the other applicable provisions of this Security Deed.



(iv) If, pursuant to Subsection 365(h)(2) of the Bankruptcy Code, Mortgagor seeks to offset, against the rent reserved in the Air Rights Lease, the amount of any damages caused by the nonperformance by the lessor thereunder of any of such lessor's obligations under the Air Rights Lease after the rejection by lessor of the Air Rights Lease under the Bankruptcy Code, Mortgagor shall, prior to effecting such offset, notify Mortgagee in writing of its intent so to do, setting forth the amounts proposed to be so offset, and, in the event Mortgagee objects, Mortgagor shall not effect any offset of the amounts so objected to by Mortgagee.

(v) If any action, proceeding, motion or notice shall be commenced or filed in respect of any lessor under the Air Rights Lease in connection with any case under the Bankruptcy Code, Mortgagee and Mortgagor shall cooperatively conduct and control any such litigation (provided that after the occurrence and during the continuance of an Event of Default, Mortgagee shall have the exclusive right (but not the obligation) to control such litigation, and Mortgagor hereby irrevocably appoints Mortgagee as its attorney-in-fact, coupled with an interest and with full power of substitution for such purpose) with counsel agreed upon between Mortgagor and Mortgagee (or, if an Event of Default shall then have occurred and be continuing, counsel selected by Mortgagee) in connection therewith. Within ten (10) days after Mortgagee's written demand upon Mortgagor, Mortgagor shall pay to Mortgagee, as applicable, all reasonable costs and expenses (including reasonable attorneys' fees and costs) actually paid or incurred by Mortgagee in connection with the cooperative prosecution or conduct of any such proceedings. All such costs and expenses shall be secured by the Lien of this Security Deed.

(vi) Mortgagor shall promptly, after obtaining knowledge thereof, notify Mortgagee orally of any filing by or against any lessor of a petition under the Bankruptcy Code. Mortgagor shall thereafter promptly give written notice of such filing to Mortgagee, setting forth any information available to Mortgagor as to the date of such filing, the court in which such petition was filed, and the relief sought therein. Mortgagor shall promptly deliver to Mortgagee, following its receipt thereof, copies of any and all notices, summonses, pleadings, applications and other documents received by Mortgagor in connection with any such petition and any proceedings relating thereto.

(m) The occurrence of any of the following events shall, at Mortgagee's option, constitute an "Event of Default" hereunder in which event Mortgagee shall have all of the rights and remedies available to it under Paragraph 22 hereof.

(i) A breach or default under any material condition or obligation contained in the Air Rights Lease which is not cured within any applicable cure period provided therein to Mortgagor (provided, however, that upon the occurrence and during the continuance of any breach or default under any condition or obligation contained in the Air Rights Lease, and prior to the expiration of all applicable cure periods, Mortgagee shall have the cure rights set forth in Paragraph 19(e) of this Security Deed).

(ii) The occurrence of any event or condition which gives the lessor under the Air Rights Lease a right to terminate or cancel, as against Mortgagor, the Air Rights Lease and the expiration of any notice, grace or cure period with respect thereto; or

(iii) Mortgagor's failure to permit Mortgagee and/or its representatives at all reasonable times upon reasonable prior written notice to make investigation or examination concerning Mortgagor's performance and observance of the terms, covenants and conditions of the Air Rights Lease.

(n) To the extent permitted by Requirements of Law, the price payable by Mortgagor or any other party in the exercise of the right of redemption, if any (which right Mortgagor has waived), from any sale under or decree of foreclosure of this Security Deed shall include all rents and other amounts paid and other sums advanced by Mortgagee on behalf of Mortgagor as the lessee under the Air Rights Lease in accordance with the provisions of this Security Deed and the other Loan Documents.

(o) Mortgagor hereby represents that the Air Rights Lease has not been amended, modified, extended, renewed, substituted or assigned except as described in Exhibit C and that Mortgagor has delivered to Mortgagee true, accurate and complete copies of all items noted on Exhibit C. Upon the request of Mortgagee, Mortgagor shall deposit with Mortgagee the tenant's original fully executed copy of the Air Rights Lease, as further security to Mortgagee, until this Security Deed is released of record or all of the Secured Obligations are fully paid and performed. Mortgagor hereby represents that the Air Rights Lease or a legally valid memorandum thereof has been properly filed or recorded in the city, town, county or parish records (as appropriate) in which the Land covered thereby is located and that the filing and recording data for the same is accurately set forth in Exhibit C.

(p) Mortgagor shall not waive, excuse, condone or in any way release or discharge the lessor under the Air Rights Lease of or from such lessor's material obligations, covenants and/or conditions under the Air Rights Lease without the prior written consent of Mortgagee.

20. Taxation of Security Deeds. In the event of the enactment of any law imposing upon Mortgagee the payment of all or part of the taxes, charges or assessments previously paid by Mortgagor pursuant to this Security Deed, or changing the law relating to the taxation of mortgages or debts secured by mortgages or Mortgagee's interest in the Property so as to impose new incidents of tax on Mortgagee, then Mortgagor shall pay such taxes or assessments or shall reimburse Mortgagee therefor, provided that, however, if in the opinion of counsel to Mortgagee, such payment cannot lawfully be made by Mortgagor, then Mortgagee may, at Mortgagee's option, declare the Secured Obligations to be immediately due and payable and invoke any remedies permitted by Paragraph 22 of this Security Deed.

21. Events of Default and Acceleration. The term "Event of Default", wherever used in this Security Deed, shall mean any one or more of the following conditions or events:

- (a) Failure by Mortgagor to pay any sum payable under the Guaranty of failure by Borrower to pay any interest on or principal of or other sum payable under the Notes or the Credit Agreement as and when the same shall become due and payable, or
- (b) Failure by Mortgagor to pay as and when due and payable any sums to be paid by Mortgagor under this Security Deed (including, but not limited to, any payment of Funds) and continuance of such failure for a period of five (5) days after written notice thereof from Mortgagee; or
- (c) Failure by Mortgagor to duly observe or perform any term, covenant, condition or agreement contained in Paragraphs 3, 4, 6 or 7 of this Security Deed; or
- (d) Failure by Mortgagor to duly observe or perform any other term, covenant, condition or agreement of this Security Deed and continuance of such failure for a period of thirty (30) days after notice thereof from Mortgagee; or
- (e) Any representation or warranty of Mortgagor contained in this Security Deed shall prove to have been false or incorrect in any material respect upon the date when made and shall continue to be false or incorrect on the date the Mortgagee takes action based on the default relating to such representation or warranty; or
- (f) The filing by Mortgagor of a voluntary petition in bankruptcy under Title 11 of the United States Code, or the issuing of an order for relief against Mortgagor in any involuntary petition in bankruptcy under Title 11 of the United States Code, or the filing by Mortgagor of any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other law or regulation relating to bankruptcy, insolvency or, other relief for debtors, or Mortgagor's seeking or consenting to or acquiescing in the appointment of any custodian, trustee, receiver, conservator or liquidator of Mortgagor or of all or any substantial part of its property, or the making by Mortgagor of any assignment for the benefit of creditors, or Mortgagor's failure generally to pay its debts, as such debts become due, or Mortgagor's giving of notice to any governmental authority or body of insolvency or pending insolvency or suspension of operations; or
- (g) The entry by a court of competent jurisdiction of any order, judgment or decree approving a petition filed against Mortgagor seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state or other law or regulation relating to bankruptcy, insolvency or other relief for debtors, or appointing any custodian, trustee, receiver, conservator or liquidator of all or any substantial part of Mortgagor's property or the Mortgagor shall indicate its approval of, consent to or acquiescence in any such petition filed against Mortgagor; or
- (h) The occurrence of any "Event of Default" as defined in the Credit Agreement or any of the other Loan Documents.

If an Event of Default shall have occurred, Mortgagee may, at Mortgagee's option, by notice to Mortgagor declare the entire Secured Obligations to be immediately due and payable, whereupon the same shall become immediately due and payable, and without presentment, protest, demand or other notice of any kind (except notices specifically required herein or in the Credit Agreement), all of which are hereby expressly waived by Mortgagor, provided that if any Event of Default specified in clauses (g) or (h) of this Paragraph shall occur or if certain Events of Default as set forth in the Credit Agreement shall occur, the Secured Obligations automatically shall become and be immediately due and payable, without any declaration or other act on the part of Mortgagee. No omission on the part of Mortgagee to exercise such option when entitled to do so shall be construed as a waiver of such right.

## 22 Rights and Remedies

(a) **Power of Sale and other Remedies.** Upon the occurrence of any Event of Default, and whether or not Mortgagee shall have accelerated the maturity of the Secured Obligations pursuant to Paragraph 21 hereof, Mortgagee, at its option, may:

(i) foreclose this Security Deed in the manner provided by law for the foreclosure of mortgages on real property;

(ii) either with or without entering upon or taking possession of the Property, demand, collect and receive any or all Revenues;

(iii) take possession of all or any part of the Collateral, and for such purpose Mortgagee may, so far as Mortgagee can give authority, enter upon any premises on which the Collateral or any part thereof may be situated and remove the same;

(iv) either with or without taking possession of the Collateral, sell, lease or otherwise dispose of the Collateral in its then condition or following such preparation as Mortgagee deems advisable;

(v) either with or without entering upon or taking possession of the Property, and without assuming any obligations of Mortgagor thereunder, exercise the rights of Mortgagor under, use or benefit from, any of the Contracts, Leases or Intangible Property;

(vi) in person, by agent or by court-appointed receiver, enter upon, take possession of, and maintain full control of the Property in order to perform all acts necessary or appropriate to complete construction of the Improvements and to maintain and operate the Property, including, but not limited to, the execution, cancellation or modification of Leases, the making of repairs to the Property and the execution or termination of contracts providing for the construction, management or maintenance of the Property, all on such terms as Mortgagee, in its sole discretion, deems proper or appropriate;

(vii) proceed by a suit or suits in law or in equity or by other appropriate proceeding to enforce payment of the Notes or the performance of any term, covenant,

condition or agreement of this Security Deed or the Credit Agreement or any of the other Loan Documents, or any other right, and to pursue any other remedy available to it, all as Mortgagee shall determine most effectual for such purposes;

(viii) institute and maintain such suits and proceedings as Mortgagee may deem expedient to prevent any impairment of the Property by any acts which may be unlawful or in violation of this Security Deed, to preserve or protect its interest in the Property and the Revenues, and to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that would impair the security hereunder or be prejudicial to the interest of Mortgagee. Mortgagor recognizes that in the event Mortgagor defaults, no remedy of law will provide adequate relief to Mortgagee, and therefore Mortgagor agrees that Mortgagee shall be entitled to temporary and permanent injunctive relief to cure any such Default without the necessity of proving actual damages,

(ix) apply all or any portion of the Property, or the proceeds thereof, to the Secured Obligations,

(x) foreclose any and all rights of Mortgagor in and to the Property, whether by sale, entry or in any other manner provided for hereunder or under the laws of the State,

(xi) in the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Mortgagor or the creditors or property of Mortgagor, Mortgagee, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Mortgagee allowed in such proceedings for the entire amount of the Secured Obligations at the date of the institution of such proceedings and for any additional portion of the Secured Obligations accruing after such date,

(xii) exercise any other right or remedy of a mortgagee or secured party under the laws of the State, and

(xiii) set-off as provided in Section 12 of the Credit Agreement.

(b) **Receiver.** If an Event of Default shall have occurred Mortgagee, upon application to a court of competent jurisdiction, shall be entitled as a matter of strict right without regard to the occupancy or value of any security for the Secured Obligations or the solvency of any party bound for its payment, to the appointment of a receiver to take possession of and to operate the Property and to collect and apply the Revenues. The receiver shall have all of the rights and powers permitted under the laws of the State. Mortgagor will pay to Mortgagee upon demand, all expenses, including receiver's fees, attorneys' fees, costs and agent's compensation, incurred pursuant to such appointment and all such expenses shall be a portion of the Secured Obligations.

(c) Sale or Other Disposition of Property. Any sale or other disposition of the Collateral may be at public or private sale, to the extent such private sale is authorized under the provisions of the Uniform Commercial Code as enacted in the State, upon such terms and in such manner as Mortgagee deems advisable in accordance with applicable law. Mortgagee may conduct any such sale or other disposition of the Property upon the Land, in which event Mortgagee shall not be liable for any rent or charge for such use of the Land. Mortgagee may purchase the Property, or any portion of it, at any sale held under this Paragraph 22. With respect to any Collateral to be sold pursuant to the Uniform Commercial Code, Mortgagee shall give Mortgagor at least seven (7) days written notice of the date, time, and place of any proposed public sale, or such additional notice as may be required under the laws of the State, and of the date after which any private sale or other disposition may be made. Mortgagee may sell any of the Collateral as part of the real property comprising the Property, or any portion or unit thereof, at the foreclosure sale or sales conducted pursuant hereto. If the provisions of the Uniform Commercial Code are applicable to any part of the Collateral which is to be sold in combination with or as part of the real property comprising the Property, or any part thereof, at one or more foreclosure sales, any notice required under such provisions shall be fully satisfied by the notice given in execution of the power of sale by Mortgagee with respect to the real property or any part thereof. Mortgagor waives any right to require the marshalling of any of its assets in connection with any disposition conducted pursuant hereto. In the event all or part of the Property is included at any sale conducted pursuant to the power of sale conferred hereby, a single total price for the Property, or such part thereof as is sold, may be accepted by Mortgagee with no obligation to distinguish between the application of such proceeds amongst the property comprising the Property. Mortgagor agrees that all rights and remedies of Mortgagee as to the Collateral and as to the Property, and all rights and interests appurtenant thereto, shall be cumulative and may be exercised together or separately without waiver by Mortgagee of any other of its rights or remedies. Mortgagor further agrees that any sale or other disposition by Mortgagee of any of the Collateral and any rights and interests therein or appurtenant thereto, or any part thereof, may be conducted either separately from or together with any foreclosure, sale or other disposition of the Property, or any rights or interests therein or appurtenant thereto, or any part thereof, all as the Mortgagee may in its sole discretion elect.

(d) Collection of Revenues. In connection with the exercise by Mortgagee of the rights and remedies provided for in subparagraph (a)(ii) of this Paragraph 22:

(i) Mortgagee may notify any tenant, lessee or licensee of the Property, either in the name of Mortgagee or Mortgagor, to make payment of Revenues directly to Mortgagee or Mortgagee's agents, may advise any person of Mortgagee's interest in and to the Revenues, and may collect directly from such tenants, lessees and licensees all amounts due on account of the Revenues,

(ii) At Mortgagee's request, Mortgagor will provide written notification to any or all tenants, lessees and licensees of the Property concerning Mortgagee's interest in the Revenues and will request that such tenants, lessees and licensees forward payment thereof directly to Mortgagee,

(iii) Mortgagor shall hold any proceeds and collections of any of the Revenues in trust for Mortgagee and shall not commingle such proceeds or collections with any other funds of Mortgagor, and

(iv) Mortgagor shall deliver all such proceeds to Mortgagee immediately upon the receipt thereof by Mortgagor in the identical form received, but duly endorsed or assigned on behalf of Mortgagor to Mortgagee.

(e) Use and Occupation of Property. In connection with the exercise of Mortgagee's rights under Subparagraph (a)(vi) of this Paragraph 22, Mortgagee may enter upon, occupy, and use all or any part of the Property and may exclude Mortgagor from the Land and the Improvements or portion thereof as may have been so entered upon, occupied, or used. Mortgagee shall not be required to remove any Tangible Property from the Land and the Improvements upon Mortgagee's taking possession thereof, and may render any Tangible Property unusable to Mortgagor. In the event Mortgagee manages the Land and the Improvements in accordance with Subparagraph (a)(vi) herein, Mortgagor shall pay to Mortgagee on demand a reasonable fee for the management thereof in addition to the Secured Obligations. Further, Mortgagee may construct such Improvements on the Land or make such alterations, renovations, repairs, and replacements to the Improvements, as Mortgagee, in its sole discretion, deems proper or appropriate. The obligation of Mortgagor to pay such amounts and all expenses incurred by Mortgagee in the exercise of its rights hereunder shall be included in the Secured Obligations and shall accrue interest at the default rate of interest stated in the Credit Agreement.

(f) Partial Sales. Mortgagor agrees that in case Mortgagee or Mortgagee, in the exercise of the power of sale contained herein or in the exercise of any other rights hereunder given, elects to sell in parts or parcels, said sales may be held from time to time and that the power shall not be exhausted until all of the Property not previously sold shall have been sold, notwithstanding that the proceeds of such sales exceed, or may exceed, the Secured Obligations.

(g) Assembly of Collateral. Upon the occurrence of any Event of Default, Mortgagee may require Mortgagor to assemble the Collateral and make it available to Mortgagee, at Mortgagor's sole risk and expense, at a place or places to be designated by Mortgagee which are reasonably convenient to both Mortgagee and Mortgagor.

(h) Power of Attorney. Upon the occurrence of any Event of Default, Mortgagor hereby irrevocably constitutes and appoints Mortgagee as Mortgagor's true and lawful attorney in fact to take any action with respect to the Property to preserve, protect, or realize upon Mortgagee's interest therein, each at the sole risk, cost and expense of Mortgagor, but for the sole benefit of Mortgagee. The rights and powers granted Mortgagee by the within appointment include, but are not limited to, the right and power to: (i) prosecute, defend, compromise, settle, or release any action relating to the Property; (ii) endorse the name of Mortgagor in favor of Mortgagee upon any and all checks or other items constituting Revenues; (iii) sign and endorse the name of Mortgagor on, and to receive as secured party, any of the Collateral; (iv) sign and file or record on behalf of Mortgagor any

financing or other statement in order to perfect or protect Mortgagee's security interest, (v) enter into leases or subleases relative to all or a portion of the Land or the Improvements, (vi) enter into any contracts or agreements relative to, and to take all action deemed necessary in connection with, the construction of any Improvements on the Land, (vii) manage, operate, maintain, or repair the Land and the Improvements, and (viii) exercise the rights of Mortgagor under any Contracts, Leases, or Intangible Property. Mortgagee shall not be obligated to perform any of such acts or to exercise any of such powers, but if Mortgagee elects so to perform or exercise, Mortgagee shall not be accountable for more than it actually receives as a result of such exercise of power, and shall not be responsible to Mortgagor except for Mortgagee's willful misconduct or gross negligence. All powers conferred upon Mortgagee by this Security Deed, being coupled with an interest, shall be irrevocable until terminated by a written instrument executed by a duly authorized officer of Mortgagee.

(i) Remedies Cumulative. All remedies provided in this Security Deed are distinct and cumulative to any other right or remedy under this Security Deed or under the other Loan Documents or afforded by law or equity, and may be exercised concurrently, independently or successively.

23. Notices. Any and all notices, demands, elections or requests provided for or permitted to be given pursuant to this Security Deed shall be given or served as provided in the Credit Agreement, and the address of the Mortgagor shall be the same as the address of the Borrower as applicable from time to time under such notice provisions of the Credit Agreement.

24. Successors and Assigns Bound; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Mortgagee and Mortgagor, subject to the provisions of Paragraph 6 hereof. The captions and headings of the paragraphs of this Security Deed are for convenience only and are not to be used to interpret or define the provisions hereof.

25. Governing Law; Severability. This Security Deed and the obligations of Mortgagor hereunder shall be governed by and interpreted and determined in accordance with the laws of the State. In the event that any provision or clause of this Security Deed or the Notes conflicts with applicable law, such conflict shall not affect other provisions of this Security Deed or the Notes which can be given effect without the conflicting provision, and to this end, the provisions of this Security Deed and the Notes are declared to be severable. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected from Mortgagor is interpreted so that any charge for which provision is made in this Security Deed or in the Notes, whether considered separately or together with other charges permitted to be collected from Mortgagor, is interpreted so that any such charge, whether considered separately or together with other charges that are considered a part of the transaction represented by this Security Deed and the Notes, violates such law, and Mortgagor is entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts, if any, previously paid to Mortgagee in excess of the amounts payable to Mortgagee pursuant to such charges as reduced shall be applied by Mortgagee to reduce the principal of the indebtedness evidenced by the Notes.



26. Waivers. Mortgagor agrees to the full extent permitted by law, that in case of an Event of Default hereunder, neither Mortgagor nor anyone claiming through or under Mortgagor shall or will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension, homestead, exemption or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Security Deed, or the absolute sale of the Property, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereat, and Mortgagor, for Mortgagor and all who may at any time claim through or under Mortgagor, hereby waives to the fullest extent that Mortgagor may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprised in the security intended to be created hereby marshalled upon any foreclosure of the lien hereof. No delay or omission of Mortgagee or of any holder of the Notes to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such default, or acquiescence therein, and every right, power and remedy given by this Security Deed to Mortgagee may be exercised from time to time and as often as may be deemed expedient by Mortgagee. No consent or waiver, expressed or implied, by Mortgagor to or of any Event of Default shall be deemed or construed to be a consent or waiver to or of any other Event of Default. Failure on the part of Mortgagee to complain of any act or failure to act which constitutes an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Mortgagee of Mortgagee's rights hereunder or impair any rights, powers or remedies consequent on any Event of Default. No act or omission of Mortgagee as described in Paragraph 13 above shall preclude Mortgagee from exercising any right, power or privilege herein granted or intended to be granted in the event of any Event of Default then made or of any subsequent Event of Default, nor, except as otherwise expressly provided in an instrument or instruments executed by Mortgagee, shall the lien of this Security Deed be altered thereby. No acceptance of partial payment or performance shall waive, affect or diminish any right of Mortgagee or Mortgagor's duty of compliance and performance therewith. Any Obligation which this Mortgage secures is a separate instrument and may be negotiated, extended or renewed by Mortgagee without releasing Mortgagor or any guarantor or co-maker. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Property, Mortgagee, without notice, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Property or the Secured Obligations or with reference to any of the terms, covenants, conditions or agreements hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any liabilities, obligations or undertakings (including, without limitation, the restrictions upon transfer contained in Paragraph 6)

27. Further Assurances. At any time and from time to time, upon request by Mortgagee, Mortgagor will make, execute and deliver, or cause to be made, executed and delivered, to Mortgagee and, where appropriate, cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or refiled at such time and in such offices and places as shall be deemed desirable by Mortgagee, any and all such other and further assignments, mortgages, security agreements, financing statements, continuation statements, instruments of further assurance, certificates and other documents as may, in the opinion of Mortgagee, be necessary or desirable in order to effectuate, complete, or perfect, or to continue and preserve (a) the obligations of Mortgagor under this Security Deed, and (b) the lien and security interest created by this Security Deed upon the Property. Upon any failure by Mortgagor so to do, Mortgagee may make, execute, record, file, re-record and/or refile any and all such assignments, mortgages,

security agreements, financing statements, continuation statements, instruments, certificates, and documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagee the agent and attorney in fact of Mortgagor so to do.

28. Subrogation. Mortgagee shall be subrogated to all right, title, lien or equity of all persons to whom Mortgagee may have paid any monies in settlement of liens, charges or assessments, or in acquisition of title or for its benefit hereunder, or for the benefit or account of Mortgagor upon execution of the Notes or subsequently paid under any provisions hereof.

29. Time of the Essence. Time is of the essence with respect to each and every covenant, agreement and obligation of Mortgagor under this Security Deed, the Notes and any and all other Loan Documents.

30. Indemnification, Subrogation, Waiver of Offset.

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

(b) If Mortgagee or any Lender is made a party defendant to any litigation or any claim is threatened or brought against Mortgagee concerning the Secured Obligations, this Security Deed, the Property, or any part thereof, or any interest therein, or the construction, maintenance, operation or occupancy or use thereof, then Mortgagor shall indemnify, defend and hold Mortgagee and/or Lenders harmless from and against all liability by reason of said litigation or claims, including reasonable attorneys' fees (together with reasonable appellate counsel fees, if any) and expenses incurred by Mortgagee or any Lender in any such litigation or claim, whether or not any such litigation or claim is prosecuted to judgment. If Mortgagee or any Lender commences an action against Mortgagor to enforce any of the terms hereof or to prosecute any breach by Mortgagor of any of the terms hereof or to recover any sum secured hereby, Mortgagor shall pay to Mortgagee its reasonable attorneys' fees (together with reasonable appellate counsel fees, if any) and expenses. The right to such attorneys' fees (together with reasonable appellate counsel fees, if any) and expenses shall be deemed to have accrued on the commencement of such action, and shall be enforceable whether or not such action is prosecuted to judgment. After the occurrence of an Event of Default, Mortgagee may engage the services of an attorney or attorneys to protect its rights hereunder, and in the event of such engagement, Mortgagor shall pay Mortgagee and any Lender reasonable

attorneys' fees (together with reasonable appellate counsel fees, if any) and expenses incurred by Mortgagee and any Lender, whether or not an action is actually commenced against Mortgagor by reason of such breach. All references to "attorneys" in this Subparagraph and elsewhere in this Security Deed shall include without limitation any attorney or law firm engaged by Mortgagee and any Lender and Mortgagee's or Lender's in-house counsel, and all references to "fees and expenses" in this Subparagraph and elsewhere in this Security Deed shall include without limitation any fees of such attorney or law firm and any allocation charges and allocation costs of Mortgagee's or Lender's in-house counsel.

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

(d) All sums payable by Mortgagor hereunder shall be paid without notice (except as may otherwise be provided herein), demand, counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the obligations and liabilities of Mortgagor hereunder shall in no way be released, discharged or otherwise affected by reason of: (i) any damage to or destruction of or any condemnation or similar taking of the Property or any part thereof; (ii) any restriction or prevention of or interference with any use of the Property or any part thereof; (iii) any title defect or encumbrance or any eviction from the Land or the Improvements on the Land or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation, or other like proceeding relating to Mortgagee or any Lender, or any action taken with respect to this Security Deed by any trustee or receiver of Mortgagee, or by any court, in such proceeding; (v) any claim which Mortgagor has, or might have, against Mortgagee or any Lender; (vi) any default or failure on the part of Mortgagee or any Lender to perform or comply with any of the terms hereof or of any other agreement with Mortgagor, or (vii) any other occurrence whatsoever, whether similar or dissimilar to the foregoing, whether or not Mortgagor shall have notice or knowledge of any of the foregoing. Mortgagor waives all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution, or reduction of any sum secured hereby and payable by Mortgagor.

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07/25/97

IN WITNESS WHEREOF, Mortgagor has executed this Security Deed under seal, as of the day and year first above written

WITNESS

77 WEST WACKER LIMITED PARTNERSHIP, an Illinois limited partnership

By Prime Group Realty, L.P., its managing general partner

By Prime Group Realty Trust its managing general partner

By *Executive VP*

STATE OF ILLINOIS)

) SS

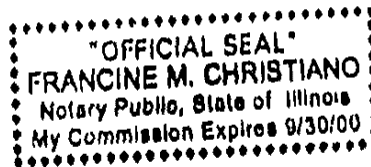
COUNTY OF COOK)

I, \_\_\_\_\_ a Notary Public in and for the County aforesaid, State of Illinois, do hereby certify that *Jeffrey A. Patterson* as *Executive VP* of Prime Group Realty Trust, managing general partner of Prime Group Realty, L.P., managing general partner of 77 West Wacker Limited Partnership, an Illinois limited partnership, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such *Executive VP* of said Trust, appeared before me this day in person and acknowledged that he with due authority signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said Trust for the uses and purposes therein set forth.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 1997.

Notary Public

My commission expires: \_\_\_\_\_



## LEGAL DESCRIPTION

A. PER SIMPLE AS TO PARCELS 1, 2, AND 4; SAID PARCELS 1, 2, AND 4 BEING DESCRIBED AS FOLLOWS:

## PARCEL 1:

LOT 3 (EXCEPT THE EAST 20.50 FEET THEREOF) TOGETHER WITH THE NORTH 1.00 FOOT OF THE ORIGINAL 18.00 FOOT ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF SAID LOT 3, IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO, IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS

AND

LOTS 1 TO 9, BOTH INCLUSIVE, IN THE SUBDIVISION OF LOT 4 TOGETHER WITH THE NORTH 1.50 FEET OF THE ORIGINAL 18.00 FOOT ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF SAID SUBDIVISION OF LOT 4, IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS

## PARCEL 2:

THAT PART OF THE WEST 1/2 OF NORTH GARVEY COURT (SAID NORTH GARVEY COURT BEING THE SOUTH 1/2 OF LOT 2, AND THE EAST 20.50 FEET OF LOT 3, TOGETHER WITH THE NORTH 1.00 FOOT OF THE ORIGINAL 18.00 FOOT ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF THE AFORESAID PARTS OF LOTS 2 AND 3, THE SOUTH LINE OF SAID 1.00 FOOT STRIP BEING THE NORTH LINE OF WEST HADDOCK PLACE AS ESTABLISHED BY ORDINANCE PASSED SEPTEMBER 17, 1852) LYING ABOVE AN INCLINED PLANE HAVING AN ELEVATION OF +17.26 FEET ABOVE THE CHICAGO CITY DATUM MEASURED ALONG THE NORTH LINE OF BLOCK 17, AND HAVING AN ELEVATION OF +21.23 FEET ABOVE THE CHICAGO CITY DATUM MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE, ALL IN BLOCK 17, (AS VACATED BY THE CITY OF CHICAGO IN AN ORDINANCE PASSED MARCH 21, 1990 AND RECORDED APRIL 11, 1990 AS DOCUMENT 90164868), IN THE ORIGINAL TOWN OF CHICAGO, IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS

## PARCEL 4:

THAT PART OF WEST HADDOCK PLACE AS ESTABLISHED BY ORDINANCE PASSED SEPTEMBER 17, 1852, TOGETHER WITH THE SOUTH 1.50 FEET OF THE ORIGINAL 18.00 FOOT ALLEY LYING NORTH OF AND ADJOINING THE NORTH LINE OF LOT 1 IN THE ASSESSOR'S DIVISION OF LOT 5 IN BLOCK 17; ALSO, THE SOUTH 1.00 FOOT OF SAID ORIGINAL 18.00 FOOT ALLEY LYING NORTH OF AND ADJOINING THE NORTH LINE OF LOT 6 IN BLOCK 17, ALL TAKEN AS ONE TRACT, LYING WEST OF THE SOUTHERLY EXTENSION OF THE WEST LINE OF THE EAST 20.50 FEET OF LOT 3 IN SAID BLOCK 17, AND LYING EAST OF THE WEST LINE OF BLOCK 17, AND ITS EXTENSIONS, (AS VACATED BY THE CITY OF CHICAGO IN AN ORDINANCE PASSED MARCH 21, 1990 AND RECORDED APRIL 11, 1990 AS DOCUMENT 90164868), IN THE ORIGINAL TOWN OF CHICAGO, IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

B. THE LEASEHOLD ESTATE (SAID LEASEHOLD ESTATE BEING DEFINED IN PARAGRAPH 1 (II) OF THE CONDITIONS AND STIPULATIONS OF THE POLICY), CREATED BY THE INSTRUMENT HEREIN REFERRED TO AS THE LEASE, EXECUTED BY: AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED NOVEMBER 26, 1985 AND KNOWN AS TRUST NUMBER 66121, AS LESSOR, AND 77 WEST WACKER LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP, AS LESSEE, DATED MARCH 7, 1991, WHICH LEASE WAS RECORDED MARCH 18, 1991 AS DOCUMENT 91119739 WHICH DEMISED PARCEL 7 FOR A TERM OF YEARS AS SET FORTH THEREIN, AND DEMISES THE "APPURTENANT RIGHTS" SET FORTH IN PARCEL B OF EXHIBIT B TO SAID LEASE OVER PARCEL

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10 FOR SAID TERM, SAID PARCELS 7 AND 10 BEING DESCRIBED AS FOLLOWS:

## PARCEL 7:

THE PROPERTY AND SPACE WHICH LIES BETWEEN HORIZONTAL PLANES WHICH ARE +50.63 FEET AND +80.63 FEET, RESPECTIVELY ABOVE THE CHICAGO CITY DATUM, AND WHICH IS ENCLOSED BY VERTICAL PLANES EXTENDING UPWARD FROM THE BOUNDARIES, AT THE SURFACE OF THE EARTH, OF THAT PART OF BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO, IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

ALL OF SUB-LOTS 1 THROUGH 7 AND THE ALLEY IN THE ASSESSOR'S DIVISION OF LOT 5 IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO; ALSO, LOT 6 (EXCEPT THE EAST 20.00 FEET THEREOF), IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO; ALL IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

## PARCEL 10:

THAT PART OF THE LAND DESCRIBED BELOW WHICH IS DEMISED AS APPURTENANT RIGHTS IN THE LEASE NOTED ABOVE:

THAT PART OF BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO, IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

ALL OF SUB-LOTS 1 THROUGH 7, AND THE ALLEY IN THE ASSESSOR'S DIVISION OF LOT 5, IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO, ALSO LOT 6 (EXCEPT THE EAST 20.00 FEET THEREOF), IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO, ALL IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS; EXCEPT THAT PART WHICH LIES BETWEEN HORIZONTAL PLANES WHICH ARE 50.63 FEET AND 80.63 FEET, RESPECTIVELY, ABOVE CHICAGO DATUM.

C. EASEMENT APPURTENANT TO AND FOR THE BENEFIT OF PARCELS 1, 2, AND 4 CREATED BY THE GRANT OF EASEMENT RECORDED AS DOCUMENT 90164870 AS AMENDED BY DOCUMENT 91096330 FOR INGRESS, EGRESS, CONSTRUCTION, USE, AND MAINTENANCE OF A PLAZA WALKWAY OVER PARCELS 3 AND 5, SAID PARCELS 3 AND 5 BEING DESCRIBED AS FOLLOWS:

## PARCEL 3:

THAT PART OF THE WEST 1/2 OF NORTH GARVEY COURT (SAID NORTH GARVEY COURT BEING THE SOUTH 1/2 OF LOT 2, AND THE EAST 20.50 FEET OF LOT 3, TOGETHER WITH THE NORTH 1.00 FOOT OF THE ORIGINAL 18.00 FOOT ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF THE AFORESAID PARTS OF LOTS 2 AND 3, THE SOUTH LINE OF SAID 1.00 FOOT STRIP BEING THE NORTH LINE OF WEST HADDOCK PLACE AS ESTABLISHED BY ORDINANCE PASSED SEPTEMBER 17, 1852) LYING ABOVE AN INCLINED PLANE HAVING AN ELEVATION OF +17.26 FEET ABOVE THE CHICAGO CITY DATUM MEASURED ALONG THE NORTH LINE OF BLOCK 17, AND HAVING AN ELEVATION OF +21.23 FEET ABOVE THE CHICAGO CITY DATUM MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE, AND LYING BELOW AN INCLINED PLANE HAVING AN ELEVATION OF 47.26 FEET ABOVE CHICAGO CITY DATUM MEASURED ALONG THE NORTH LINE OF SAID BLOCK 17, AND HAVING AN ELEVATION OF +51.23 FEET ABOVE CHICAGO CITY DATUM MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE, ALL IN BLOCK 17, IN THE ORIGINAL TOWN OF CHICAGO, IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

## PARCEL 5:

THAT PART OF WEST HADDOCK PLACE AS ESTABLISHED BY ORDINANCE PASSED SEPTEMBER 17, 1852, TOGETHER WITH THE SOUTH 1.00 FOOT OF THE ORIGINAL 18.00 FOOT ALLEY LYING NORTH OF AND ADJOINING THE NORTH LINE OF THE WEST 1/2 OF LOT 7 AND THE NORTH LINE OF THE EAST 20.50 FEET OF LOT 6, ALL TAKEN AS ONE TRACT LYING EAST OF THE SOUTHERLY EXTENSION OF THE WEST LINE OF THE EAST 20.50 FEET OF LOT 3, IN BLOCK 17, IN THE ORIGINAL TOWN OF CHICAGO, LYING WEST OF THE SOUTHERLY EXTENSION OF THE EAST LINE OF THE WEST 1/2 OF LOT 2 IN SAID BLOCK 17, LYING

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ABOVE AN INCLINED PLANE, HAVING AN ELEVATION OF +21.23 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE AFORESAID, AND HAVING AN ELEVATION OF +21.72 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE SOUTH LINE OF THE ORIGINAL 18.00 FOOT ALLEY AFORESAID, AND LYING BELOW AN INCLINED PLANE, HAVING AN ELEVATION OF +21.23 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE AFORESAID, AND HAVING AN ELEVATION OF +21.72 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE SOUTH LINE OF THE ORIGINAL 18.00 FOOT ALLEY AFORESAID, ALL IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS

D. EASEMENTS FOR SUPPORT AS CREATED BY GRANT OF EASEMENT RECORDED AS DOCUMENT 90164870 AS AMENDED BY DOCUMENT 91096330 OVER PARCEL 6, SAID PARCEL 6 BEING DESCRIBED AS FOLLOWS:

PARCEL 6:

THAT PART OF GARVEY COURT DEPICTED IN EXHIBIT "B" OF THE GRANT OF EASEMENT RECORDED AS DOCUMENT 90164870 AS AMENDED BY DOCUMENT 91096330.

E. RECIPROCAL EASEMENT AGREEMENT DATED DECEMBER 5, 1990 AND RECORDED AS DOCUMENT 91092145 MADE BY AND BETWEEN CHICAGO TITLE AND TRUST COMPANY, AS TRUSTEE UNDER TRUST AGREEMENT DATED NOVEMBER 12, 1986 AND KNOWN AS TRUST NO. 1088617 AND 77 WEST WACKER LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP, FOR A JOINT ACCESS STAIRWAY CONNECTING THE TWO PARTIES' PROPERTY AS SPECIFICALLY DESCRIBED IN SAID INSTRUMENT OVER PARCEL 8, SAID PARCEL 8 BEING DESCRIBED AS FOLLOWS:

PARCEL 8:

THAT PORTION OF THE LAND DESCRIBED BELOW (THE STAIRWAY LAND) SUBJECT TO THE EASEMENT SET FORTH IN "E" ABOVE:

LOT 1 AND THE EAST 1/2 OF LOT 2 IN BLOCK 17 OF THE ORIGINAL TOWN OF CHICAGO, IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS AND

A STRIP OF LAND LYING SOUTH OF AND ADJOINING LOT 1 AND THE EAST 1/2 OF LOT 2 IN BLOCK 17 OF THE ORIGINAL TOWN OF CHICAGO BOUNDED ON THE NORTH BY THE SOUTH LINE OF SAID LOTS AND ON THE SOUTH BY THE NORTH LINE OF PUBLIC ALLEY AS NARROWED BY ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF CHICAGO PASSED SEPTEMBER 17, 1852, ALL IN COOK COUNTY, ILLINOIS

F. EASEMENTS OVER PARCEL 9 AS SET FORTH IN AGREEMENT BY AND AMONG AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED NOVEMBER 26, 1985 AND KNOWN AS TRUST NUMBER 66121, 200 NORTH DEARBORN PARTNERSHIP, AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED DECEMBER 19, 1989 AND KNOWN AS TRUST NUMBER 11025-08 AND 77 WEST WACKER LIMITED PARTNERSHIP, DATED DECEMBER 31, 1990 AND RECORDED MARCH 18, 1991 AS DOCUMENT 91119736, FOR WALL OPENINGS; USING, CONSTRUCTING, MAINTAINING, REPAIRING, RECONSTRUCTING AND RENEWING THE PLAZA, AND EXTENDING AND CONTINUING THE PLAZA; AND FOR "WALL WORK" AS THEREIN DEFINED, SAID PARCEL 9 BEING DESCRIBED AS FOLLOWS:

PARCEL 9:

THAT PORTION OF THE LAND DESCRIBED BELOW (THE WALL LAND) SUBJECT TO THE EASEMENTS SET FORTH IN "F" ABOVE:

ALL OF SUB-LOTS 1 THROUGH 7 AND THE ALLEY IN THE ASSESSOR'S DIVISION OF LOT 5, IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO; ALSO, LOT 6 (EXCEPT THE EAST 20.00 FEET THEREOF), IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO; ALL IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS

G. SUPPORT AND INGRESS AND EGRESS EASEMENTS AS CREATED BY AGREEMENT DATED OCTOBER 22, 1991, AND RECORDED MARCH 26, 1992, AS DOCUMENT 92199746 AMONG AMERICAN NATIONAL BANK AND TRUST

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COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED JUNE 10, 1991, AND KNOWN AS TRUST NUMBER 52947, ET AL., OVER THOSE PORTIONS OF PARCELS 11A AND 11B WHICH ARE SET FORTH IN SAID AGREEMENT; SAID PARCEL 11 BEING DESCRIBED BELOW.

II. CONSTRUCTION, REPAIR, SUPPORT, AND INGRESS AND EGRESS EASEMENTS AS CREATED BY AGREEMENT DATED OCTOBER 22, 1991, AND RECORDED NOVEMBER 12, 1991 AS DOCUMENT 91591893 AMONG AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED NOVEMBER 26, 1985, KNOWN AS TRUST NUMBER 66121M ET AL., OVER THOSE PORTIONS OF PARCEL 11A WHICH ARE SET FORTH IN SAID AGREEMENT; SAID PARCEL 11 BEING DESCRIBED BELOW.

I. RIGHT TO PARK 169 CARS ON THOSE PORTIONS OF PARCEL 11D AS SET FORTH IN PARKING AGREEMENT DATED OCTOBER 22, 1991 AND RECORDED APRIL 17, 1992 AS DOCUMENT 92280477 AMONG AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO AS TRUSTEE UNDER TRUST AGREEMENT DATED JUNE 18, 1991 AND KNOWN AS TRUST NUMBER 52947, 77 WEST WACKER LIMITED PARTNERSHIP, ET AL, SAID PARCEL 11 BEING DESCRIBED, AS FOLLOWS:

PARCEL 11:

11A. ALL OF SUBLOTS 1 THROUGH 7 AND THE ALLEY IN ASSESSOR'S DIVISION OF LOT 5 IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO;

ALSO

LOT 6 (EXCEPT THE EAST 20 FEET THEREOF) IN SAID BLOCK 17;

ALSO

ALL OF SUB-LOTS 1 THROUGH 8 IN THE SUBDIVISION OF LOT 8 IN SAID BLOCK 17

ALL IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

ALSO

THE NORTH 111.00 FEET OF THE EAST 1/2 OF LOT 7 (AS SUCH EAST 1/2 IS MEASURED ALONG THE SOUTH LINE OF LOT 7) LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +22.00 FEET ABOVE CHICAGO CITY DATUM

THE SOUTH 16.00 FEET OF THE NORTH 127.00 FEET OF THE EAST 1/2 OF LOT 7 (AS SUCH EAST 1/2 IS MEASURED ALONG THE SOUTH LINE OF LOT 7) LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +14.66 FEET ABOVE CHICAGO CITY DATUM

THAT PART OF THE EAST 1/2 OF LOT 7 (AS SUCH EAST 1/2 IS MEASURED ALONG THE SOUTH LINE OF LOT 7) EXCEPT THE NORTH 127.00 FEET THEREOF, LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +12.66 FEET ABOVE CHICAGO CITY DATUM

THE EAST 20 FEET OF LOT 6 AND THE WEST 1/2 OF LOT 7 (AS SUCH WEST HALF IS MEASURED ALONG THE SOUTH LINE OF LOT 7) LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +29.00 FEET ABOVE CHICAGO CITY DATUM

ALL IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

11B. LOT 27 IN LOOP TRANSPORTATION CENTER SUBDIVISION OF PART OF BLOCK 18 IN ORIGINAL TOWN OF CHICAGO IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

EXHIBIT B

Schedule 1

(Description of "Mortgagor" and "Mortgagee")

A. Mortgagor:

1. Name and Identity or Organizational Structure:

77 West Wacker Limited Partnership, an Illinois limited partnership

2. The principal place of business and chief executive office of Mortgagor is located at 77 West Wacker Drive, Suite 3900, Chicago, Illinois 6060 .

Mortgagor has been using or operating under said name and identity or organizational structure without change since June 28, 1985.

B. Mortgagee: BANKBOSTON, N.A., as Agent, a national banking association

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Schedule 2

(Notice Mailing Addresses of "Mortgagor" and "Mortgagee")

A. The mailing address of Mortgagor is

77 West Wacker Limited Partnership  
c/o Prime Group Realty, L. P.  
77 West Wacker Drive, Suite 3900,  
Chicago, Illinois 6060

B. The mailing address of Mortgagee is

BankBoston, N A , as Agent  
100 Federal Street  
Boston, Massachusetts 02110  
Attn: Real Estate Department

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## EXHIBIT C

### AIR RIGHTS LEASE

Lease dated March 7, 1991 between American National Bank and Trust Company of Chicago, as Trustee under Trust Agreement dated November 26, 1985 and known as Trust No. 66121 as Landlord and 77 West Wacker Limited Partnership, as Tenant, which Lease was recorded March 18, 1991 in the Official Records of the Recorder of Deeds of Cook County, Illinois as document No. 91119739.

Together with the benefit of the Non-disturbance Agreement dated as of March 7, 1991 among American National Bank and Trust Company of Chicago, as Trustee, under Trust Agreement dated November 26, 1985 and known as Trust No. 66121, 77 West Wacker Limited Partnership, the State Teacher's Retirement Board of Ohio and approved by the Secretary of Housing and Urban Development and recorded on March 18, 1991 in the Official Records of the Recorder of Deeds of Cook County as document No. 91119740

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