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Cook County Recorder 93.00



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This document was prepared by,
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return to:
Julie M. Mandanas
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Chicago, Illinois 60611

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

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT and FINANCING STATEMENT (the "Mortgage") is made as of July 19, 1999 by URBAN GROWTH PROPERTY LIMITED PARTNERSHIP, a Delaware limited partnership, having its office at 111 West Jackson Boulevard, Suite 2230, Chicago, Illinois 60604 (together with its successors and assigns, "Mortgagor") in favor of LASALLE BANK, N.A., a national banking association, having an office at 135 South LaSalle Street, Chicago, Illinois 60603 (together with its successors and assigns, "Mortgagee").

RECITALS:

A. Loan. Mortgagor owns or will own the land commonly known as 155 East Ontario, Chicago, Illinois and more particularly described on Exhibit A-1 attached hereto (the "Ontario Land") and Mortgagor owns an undivided seventy-eight percent (78%) interest in and to the land commonly known as 325-333 South Franklin Chicago, Illinois and more particularly described on Exhibit A-2 attached hereto (the "Franklin Land"; together with the Ontario Mortgaged Property, the "Land"). Lender has agreed to provide funds to Mortgagor for the acquisition of the Ontario Mortgaged Property, by making a loan to the Mortgagor in the principal amount of Six Million Dollars (\$6,000,000.00) (the "Loan").

B. Note, Principal and Interest. To evidence the Loan, Mortgagor has executed and delivered to Mortgagee a certain Promissory Note dated the date hereof (which note, together with any and all amendments or supplements thereto, extensions thereof and notes which may be taken in whole or partial renewal or substitution thereof or which may evidence any of the indebtedness secured thereby, shall be called the "Note"), in the original principal amount of Six Million Dollars (\$6,000,000.00) (the "Loan Amount"), payable to the order of Mortgagee at Chicago, Illinois. The Loan Amount is due and payable, together with all accrued and unpaid interest, in full, if not paid sooner on or before the Maturity Date (as defined in the Note), subject to acceleration as provided in the Note, this Mortgage and the other Loan Documents (as hereinafter defined). The Note bears interest on the principal amount outstanding as set forth therein; all principal of and interest on the Note is payable in lawful money of the United States of America at the office of Mortgagee in Chicago, Illinois,

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or at such other place as the holder thereof may from time to time appoint in writing. Mortgagor is or will become justly indebted to Mortgagee in the Loan Amount in accordance with the terms of the Note, this Mortgage and the other Loan Documents.

I. GRANT

NOW THEREFORE, in consideration of Ten Dollars (\$10.00) and for and in consideration of Mortgagee's making the Loan to Mortgagor, and in consideration of the various agreements and covenants contained herein, in the Note, and the other Loan Documents, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by Mortgagor, and in order to secure the full, timely and proper payment and performance of each and every one of the Liabilities (as hereinafter defined),

MORTGAGOR HEREBY MORTGAGES, CONVEYS, GRANTS, BARGAINS, TRANSFERS, WARRANTS AND ASSIGNS TO MORTGAGEE AND ITS SUCCESSORS AND ASSIGNS FOREVER, AND GRANTS TO MORTGAGEE A CONTINUING LIEN UPON AND SECURITY INTEREST IN AND TO, ALL OF THE COLLATERAL (AS HEREINAFTER DEFINED), WHETHER NOW OWNED OR HELD OR HEREAFTER ACQUIRED,

TO HAVE AND TO HOLD the Collateral unto Mortgagee and its successors and assigns forever, for the purposes and uses herein set forth. All of the Collateral, whether real, personal, or mixed, whether or not affixed or annexed to the Land and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared to form a part and parcel of the Premises (as hereinafter defined) and to be appropriated to the use of the Premises, and shall be for the purposes of this Mortgage deemed to be real estate and conveyed and mortgaged hereby. As to any of the Collateral which (notwithstanding the aforesaid declaration and agreement) does not so form a part and parcel of the Premises, this Mortgage is hereby deemed to be, as well, a Security Agreement and Financing Statement under the Uniform Commercial Code as the same may be in effect from time to time in the State of Illinois (hereinafter referred to as the "UCC") for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to Mortgagee as Secured Party (as said term is defined in the UCC), securing the Liabilities (as hereinafter defined), and Mortgagee shall have in addition to its rights and remedies hereunder all rights and remedies of a Secured Party under the UCC. As to any of the Collateral which the UCC classifies as fixtures, this instrument shall constitute a fixture filing and financing statement under the UCC.

Mortgagor hereby covenants with and warrants to Mortgagee and the purchaser at any foreclosure sale that: (i) at the execution and delivery hereof Mortgagor is well seized of the Premises, and of a good, indefeasible estate therein, in fee simple, subject to the Permitted Exceptions (as hereinafter defined); (ii) the Collateral is free from all liens, claims and encumbrances whatsoever, and any claim of any other individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, entity

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or governmental entity (hereinafter, any one of the foregoing is referred to as a "Person") thereto, other than the security interests granted to Mortgagee herein and pursuant to the Loan Documents and the encumbrances set forth in the title insurance policies issued by Chicago Title Insurance Company in Policy Number 7815470 as to the Ontario Mortgaged Property and Policy Number 7831051 as to the Franklin Mortgaged Property, each insuring the lien of this Mortgage in favor of Mortgagee (the "Permitted Exceptions"); (iii) Mortgagor has good and lawful right to sell, mortgage and convey the Collateral; and (iv) Mortgagor and its successors and assigns will forever warrant and defend the Collateral against all claims and demands whatsoever with the exception of the Permitted Exceptions.

1. DEFINITIONS

1.1 Loan Documents.

As used in this Mortgage, the term "Loan Documents" shall mean this Mortgage, the Note; that certain Subordination of Management Agreement of even date herewith between PM Realty Group, L.P., Mortgagor and Mortgagee; those certain Subordination, Non-Disturbance and Attornment Agreements (Parking Leases) given by Interparking Incorporated, a Maryland corporation ("Interparking"), in favor of Mortgagee dated the date hereof; that certain Estoppel and Attornment Agreement (Cotenancy Agreement) given by General Parking Corporation, an Illinois corporation, in favor of Mortgagee; that certain Environmental Indemnification Agreement of even date herewith from Mortgagor in favor of Mortgagee (the "Environmental Indemnification Agreement"); those certain UCC Financing Statements of even date herewith from Mortgagor, as debtor, in favor of Mortgagee, as secured party, and any other agreements, documents, writings and instruments now or hereafter executed by Mortgagor which evidence or secure the Loan, whether pursuant to the terms of this Mortgage or otherwise, in connection with the Note or as security therefor, or for the purpose of supplementing or amending all or any of the foregoing, all of which, as the same may be amended, modified or supplemented from time to time.

1.2 Liabilities.

As used in this Mortgage, the term "Liabilities" means and includes all of the following: (i) the principal of, interest on and any and all other amounts which may at any time be or become due or owing under, the Note including, without limitation, any and all future advances to be made by Mortgagee under the Note; (ii) all indebtedness of any kind arising under, and all amounts of any kind which may at any time be or become due or owing to Mortgagee under or with respect to, the Note, this Mortgage or any of the other Loan Documents; (iii) all of the covenants, obligations and agreements (and the truth of all representations and warranties) of Mortgagor in, under or pursuant to the Note, this Mortgage, and all of the other Loan Documents; (iv) any and all reasonable advances, costs or expenses reasonably paid or incurred by Mortgagee to protect any or all of the Collateral, perform any obligation of Mortgagor hereunder or under any of the Loan Documents or collect any amount owing to Mortgagee which is secured hereby; (v) any and all other obligations of Mortgagor

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to Mortgagee, in each case, howsoever created, arising or evidenced, direct or indirect, absolute or contingent, joint or several, now or hereafter existing or arising or due or to become due, out of or in connection with the Note, this Mortgage or any of the other Loan Documents; (vi) interest on all of the foregoing; and (vii) all costs of enforcement and collection of the Note, this Mortgage, any of the other Loan Documents, and the Liabilities; provided, however, notwithstanding anything to the contrary herein, the total Liabilities secured by this Mortgage shall not exceed an amount equal to two (2) times the Loan Amount.

1.3. Collateral.

For purposes of this Mortgage, the term "**Collateral**" means and includes all of Mortgagor's right, title and interest, if any, in, to and under the following, whether now owned, or hereafter arising or acquired by Mortgagor:

(a) Real Estate. All of the Land, together with all and singular the tenements, rights, easements, hereditaments, rights of way, privileges, liberties, appendages and appurtenances now or hereafter belonging or in anywise appertaining to the Land (including, without limitation, all rights relating to storm and sanitary sewer, water, gas, electric, railway and telephone services); all development rights, air rights, water, water rights, water stock, gas, oil, minerals, coal and other substances of any kind or character underlying or relating to the Land; all estate, claim, demand, right, title or interest of Mortgagor in and to any street, road, highway, or alley (vacated or otherwise) adjoining the Land or any part thereof; all strips and gores belonging, adjacent or pertaining to the Land; and any after-acquired title to any of the foregoing (all of the foregoing are herein referred to collectively as the "**Real Estate**");

(b) Improvements and Fixtures. All buildings, structures, replacements, furnishings, fixtures, fittings and other improvements and property of every kind and character now or hereafter located or erected on the Real Estate and owned or purported to be owned by Mortgagor, together with all building or construction materials, equipment, appliances, machinery, plant equipment, fittings, apparatus, fixtures and other articles of any kind or nature whatsoever or hereafter found on, affixed to or attached to the Real Estate and owned or purported to be owned by Mortgagor, including without limitation, all motors, boilers, engines and devices for the operation of pumps, and all heating, electrical, lighting, power, plumbing, air conditioning, refrigeration and ventilation equipment (all of the foregoing are herein referred to collectively as the "**Improvements**"); and together with the Real Estate and all other property constituting a portion of the Collateral which is real estate under applicable law, collectively referred to herein as the "**Premises**");

(c) Personal Property. All furniture, furnishings, equipment (including, without limitation, telephone and other communications equipment, window cleaning, building cleaning, monitoring, garbage, air conditioning, pest control and other equipment) and all other tangible property of any kind or character now or hereafter owned or purported to be owned by Mortgagor and located on the Real Estate including, without limitation, all rights of

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Mortgagor under any lease of furniture, furnishings, fixtures and other items of personal property at any time during the term of such lease, and all rights under and to all payments and deposits required by the provisions of Section 2.20 hereof (all of the foregoing are herein referred to collectively as the "**Goods**");

(d) **Intangibles.** To the extent assignable, all goodwill, trademarks, trade names, option rights, purchase contracts, books and records and general intangibles of Mortgagor relating to the Real Estate or the Improvements and all accounts, contract rights, instruments, chattel paper and other rights of Mortgagor for payment of money to it for property sold or lent by it, for services rendered by it, for money lent by it, or for advances or deposits made by it, and any other intangible property of Mortgagor related to the Premises (all of the foregoing are herein referred to collectively as the "**Intangibles**");

(e) **Rents.** All rents, issues, profits, royalties, avails, income and other benefits derived or owned by Mortgagor directly or indirectly from the Premises (all of the foregoing are herein collectively called the "**Rents**");

(f) **Leases.** To the extent that the same applies to the Mortgaged Property, all rights of Mortgagor under all leases, licenses (to the extent assignable), occupancy agreements, concessions or other arrangements, whether written or oral, whether now existing or entered into at any time hereafter, whereby any Person agrees to pay money to Mortgagor or any consideration for the use, possession or occupancy of, or the conducting of any business on, or any estate in, the Premises or any part thereof, and which agreement extends past the Maturity Date, and all rents, income, profits, benefits, avails, advantages and claims against guarantors under any thereof (all of the foregoing are herein referred to collectively as the "**Leases**"), including without limitation, that certain Parking Facility Lease dated December 31, 1998 with Interparking for the Franklin Mortgaged Property and that certain Parking Facility Lease dated July 1, 1999 with Interparking for the Ontario Mortgaged Property (collectively, the "**Interparking Leases**");

(g) **Plans.** All rights of Mortgagor if any, to plans and specifications, designs, drawings and other matters prepared in connection with the Premises in Mortgagor's possession or control (all of the foregoing are herein called the "**Plans**");

(h) **Contracts for Construction or Services.** To the extent assignable, all rights of Mortgagor, if any, under any contracts executed by Mortgagor with any provider of goods or services for or in connection with any construction undertaken on, or services performed or to be performed in connection with, the Premises, including any architect's contract (all of the foregoing are herein referred to collectively as the "**Contracts for Service**");

(i) **Contracts for Sale or Financing.** All rights of Mortgagor, if any, as seller or Mortgagor under any agreement, contract, understanding or arrangement pursuant to which Mortgagor has, with the prior written consent of Mortgagee, obtained the agreement of

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any Person to pay or disburse any money for Mortgagor's sale (or borrowing on the security) of the Collateral or any part thereof (all of the foregoing are herein referred to collectively as the "Contracts for Sale"); and

(j) **Management Agreements.** All rights of Mortgagor, if any, under any contracts executed by Mortgagor with any Person employed as a manager of the Premises or for services in connection with the management of the Premises (all of the foregoing herein referred to collectively as the "Management Agreements"); and

(k) **Other Property.** All other property or rights of Mortgagor of any kind or character related to the Premises and all proceeds (including insurance and condemnation proceeds) and products of any of the foregoing, including all proceeds of the conversion, whether voluntary or involuntary, of any of the foregoing into cash or liquidated claims.

II. COVENANTS AND AGREEMENTS OF MORTGAGOR

Further to secure the full, timely and proper payment and performance of the Liabilities, Mortgagor hereby covenants and agrees with, and warrants to, Mortgagee as follows:

2.1. Payment of Liabilities.

Mortgagor will pay, timely and in the manner required in the appropriate documents or instruments, the principal of and interest on the Note, and all other Liabilities (including reasonable fees and charges).

2.2. Payment of Taxes.

Unless Mortgagor is contesting same in good faith by appropriate proceedings diligently pursued, and where such contest will not adversely affect the validity or priority of Mortgagee's lien on the Collateral or the ability of Mortgagor to pay and perform its Liabilities, and Mortgagor has provided adequate reserves for payment of such taxes and assessments, Mortgagor will pay, at least ten (10) business days before the same become delinquent, all taxes and assessments, general or special, and any and all levies, claims, charges, expenses and liens, ordinary or extraordinary, governmental or non-governmental, statutory or otherwise, due or to become due, that may be levied, assessed, made, imposed or charged on or against the Collateral or any property used in connection therewith, and will pay before due any tax or other charge on the interest or estate in lands created or represented by this Mortgage or by any of the other Loan Documents, whether levied against Mortgagor or Mortgagee or otherwise, and will submit to Mortgagee upon request all receipts showing payment of all of such taxes, assessments and charges.

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2.3. Maintenance, Repair and Restoration of Improvements; Payment of Prior Liens.

Mortgagor shall: (i) promptly repair, restore or rebuild the Improvements, if any, which may become damaged or be destroyed; (ii) keep the Premises in good condition and repair, without waste, and free from mechanics' liens or other liens or claims for liens not expressly subordinated to the lien hereof, unless such lien is being contested by Mortgagor in good faith by appropriate proceedings, diligently pursued, and where such contest will not adversely affect the validity or priority of Mortgagee's lien on the Collateral or the ability of Mortgagor to pay and perform the Liabilities, and Mortgagor posts a bond or other security therefor reasonably acceptable to Mortgagee; (iii) pay when due any indebtedness which may be secured by a lien or charge on the Premises superior to the lien hereof, and upon request, exhibit satisfactory evidence of the discharge of such prior lien to Mortgagee; (iv) comply with all requirements of law, municipal ordinances, or restrictions of record with respect to the Premises and the use thereof; (v) not make any material alterations in the Premises except as provided herein and in the Loan Documents, (vi) suffer or permit no change in the general nature of the occupancy of the Premises, without Mortgagee's written consent; and (vii) not initiate or acquiesce in any zoning variation or reclassification, without Mortgagee's prior written consent.

2.4. Insurance.

Mortgagor shall keep the Premises, any Goods and all other Collateral insured against loss or damage by fire and such other hazards as may be reasonably requested by Mortgagee or required by the Loan Documents, including, but not limited to, all-risk property insurance covering, without limitation, fire, extended coverage, vandalism and malicious mischief, in an amount that is not less than the replacement cost of the Premises and Goods without consideration for depreciation, with an agreed upon value endorsement, insurance against business interruption and loss of rentals for such occurrences and in such amounts as Mortgagee may reasonably require; insurance against floods if required by the Federal Disaster Protection Act of 1973, as amended, and regulations issued thereunder; comprehensive general public liability insurance, in an amount satisfactory to Mortgagee; if applicable, during construction, builder's completed value risk insurance against "all risks of physical loss" (including collapse and transit coverage); and all other insurance commonly or, in the reasonable judgment of Mortgagee, prudently maintained by those whose business and use of real estate is similar to that of Mortgagor. Mortgagor shall further provide Mortgagee with insurance certificates evidencing that any contractor secured by Mortgagor to perform general contracting work on the Premises has, in full force and effect, liability and worker's compensation insurance. All policies of insurance to be furnished hereunder shall be in forms and amounts and with companies reasonably satisfactory to Mortgagee, with standard noncontributory mortgagee loss payee clauses attached to all policies in favor of, and in form reasonably satisfactory to, Mortgagee, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days' prior written notice to Mortgagee. All policies, as applicable, shall further name Mortgagee as an additional insured and/or as a lender loss payee, as its interests may appear. Mortgagor shall deliver copies of all policies,

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including additional and renewal policies, to Mortgagee, and, in the case of insurance about to expire, shall deliver copies of renewal policies not less than ten (10) days prior to their respective dates of expiration. Mortgagor shall not take out separate insurance concurrent in form or contribution in the event of loss which is required to be maintained hereunder unless Mortgagee is included thereon under a standard mortgagee clause reasonably acceptable to Mortgagee. Mortgagor shall immediately notify Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to Mortgagee the policy or policies of such insurance.

2.5 Adjustment of Losses with Insurer and Application of Proceeds of Insurance.

(a) In case of loss or damage by fire or other casualty, Mortgagee is authorized to (i) settle and adjust any claim under insurance policies which insure against such risks, or (ii) allow Mortgagor to agree with the insurance company or companies on the amount to be paid in regard to such loss. In either case, Mortgagee is authorized to collect and issue a receipt for any such insurance proceeds. At the option of Mortgagee, such insurance proceeds may be applied in the reduction of the Liabilities, whether due or not, or may be held by Mortgagee and used to reimburse Mortgagor for the cost of the rebuilding or restoration of the Premises. In the event Mortgagee elects to apply the insurance proceeds in reduction or satisfaction of the Liabilities, such prepayment shall be without penalty or premium to Mortgagor. Provided such insurance proceeds are used to reimburse Mortgagor for the cost of said rebuilding or restoration or not, and irrespective of whether such insurance proceeds are or are not adequate for such purpose, the Premises shall be restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction. If the cost of rebuilding, repairing or restoring the Premises can reasonably be estimated by Mortgagee to exceed the sum of Two Hundred Fifty Thousand Dollars (\$250,000.00), then Mortgagor shall obtain Mortgagee's prior written approval of plans and specifications for such work before such work shall be commenced, which approval shall not be unreasonably withheld or delayed. In any case, where the insurance proceeds are made available for rebuilding and restoration, upon Mortgagee being furnished with satisfactory evidence of the estimated cost of completion thereof and with architect's certificates, waivers of lien, contractor's and subcontractors' sworn statements and other evidence of cost and payments so that Mortgagee can verify that the amounts disbursed from time to time are represented by completed and in place work and that said work is free and clear of mechanics' lien claims, such proceeds shall be disbursed in the manner and under the conditions that Mortgagee may reasonably require. If the estimated cost of completion exceeds the amount of the insurance proceeds available, Mortgagor immediately shall, on written demand of Mortgagee, deposit with Mortgagee in cash the amount of such estimated excess cost. No payment made prior to the final completion of the work shall exceed ninety percent (90%) of the value of the work performed from time to time, and at all times, the undisbursed balance of such proceeds remaining in the hands of the disbursing party shall be at least sufficient to pay for the cost of completion of the work, free and clear of all liens. Any surplus which may remain (exclusive of funds provided directly by Mortgagor, which shall be refunded to Mortgagor) after payment of such cost of building or restoration shall, at the option of

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Mortgagee, be applied on account of the Liabilities, or be paid to any party entitled thereto without interest.

(b) Any provision of this Section 2.5 to the contrary notwithstanding, provided that (i) the insurance carrier does not deny liability as to the insured and Mortgagor demonstrates to Mortgagee's satisfaction that Mortgagor has the financial capacity (taking into account any projected receipts from the Premises and any proceeds from applicable insurance policies) to fulfill its Liabilities and obligations under the Note, this Mortgage and the other Loan Documents during the process of rebuilding or restoration, (ii) no Default (as hereinafter defined) exists under this Mortgage, (iii) the proceeds of such casualty insurance are used solely for rebuilding or restoration and are sufficient to rebuild or restore the Premises as required hereunder (or Mortgagor deposits any deficiency with Mortgagee or deposits a letter of credit or other security satisfactory to Mortgagee in its absolute discretion to cover such deficiency), (iv) the funds are released under escrow or construction funding arrangements reasonably satisfactory to Mortgagee, and (v) the rebuilding or restoration can in Mortgagees' reasonable judgment be expected to be substantially completed at least two (2) months prior to the maturity date of the Note, Mortgagee agrees to make such insurance proceeds available, after deducting therefrom any expenses incurred in the collection thereof, in accordance with the other provisions of this Section 2.5 for the rebuilding or restoration of the Premises. Any excess proceeds remaining after completion of the rebuilding or restoration of the Premises may be retained by Mortgagee at its option, for application against the Liabilities as set forth above or paid to any party entitled thereto, without interest. In addition, provided that no Default exists under this Mortgage, any proceeds of rent loss or similar insurance shall be made available to Mortgagor to pay debt service on the Note and operating expenses.

2.6. Stamp and Other Taxes.

If the Federal, or any state, county, local, municipal or other, government or any subdivision of any thereof having jurisdiction, shall levy, assess or charge any tax (excepting therefrom any income tax on Mortgagee's receipt of interest payments on the principal portion of the indebtedness secured hereby), assessment or imposition upon this Mortgage, the Liabilities, the Note or any of the other Loan Documents, the interest of Mortgagee in the Collateral, or any of the foregoing, or upon Mortgagee by reason of or as holder of any of the foregoing, or shall at any time or times require revenue stamps to be affixed to the Note, this Mortgage, or any of the other Loan Documents, Mortgagor shall pay all such taxes and stamps to or for Mortgagee as they become due and payable. If any law or regulation is enacted or adopted permitting, authorizing or requiring any tax, assessment or imposition to be levied, assessed or charged, which law or regulation prohibits Mortgagor from paying the tax, assessment, stamp, or imposition to or for Mortgagee, then all sums hereby secured shall become immediately due and payable at the option of Mortgagee. Thereafter, if Mortgagor fails to make payment of all such sums within five (5) days of Mortgagee's demand therefor, such failure shall constitute a Default hereunder and all sums secured hereby shall become immediately due and payable.

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2.7. Effect of Extensions of Time.

If the payment of the Liabilities or any part thereof is extended or varied or if any part of any security for the payment of the Liabilities is released or additional security is taken, all persons now or at any time hereafter liable therefor, or interested in the Collateral, shall be held to assent to such extension, variation, or taking of additional security or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such Persons being expressly reserved by Mortgagee, notwithstanding such extension, variation, taking of additional security or release.

2.8. Recorded Instruments.

Mortgagor shall promptly perform and observe, or cause to be performed or observed, all of the terms, covenants and conditions of all instruments of record affecting the Collateral, noncompliance with which would have a material adverse effect upon the security of this Mortgage or impose any duty or obligation upon Mortgagor or other occupant of the Premises, or any part thereof, and Mortgagor shall do or cause to be done all things necessary to preserve intact and unimpaired any and all easements, appurtenances and other interests and rights in favor of or constituting any portion of the Premises.

2.9. Mortgagee's Performance of Defaulted Acts.

In case of Default herein, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises or consent to any tax or assessment or cure any default of Mortgagor as lessor under any of the Leases. All monies paid for any of the purposes herein authorized and all reasonable expenses paid or incurred in connection therewith, including reasonable attorneys' fees, and any other monies advanced by Mortgagee in regard to any stamp tax or any Leases or to protect the Premises and the lien hereof, shall be added to the Liabilities, and shall become immediately due and payable without notice and with Default Interest (as defined in the Note) thereon. Inaction of Mortgagee shall never be considered a waiver of any right accruing to it on account of any Default on the part of Mortgagor.

2.10. Mortgagee's Reliance on Tax Bills.

Mortgagee, in making any payment hereby authorized which (i) relates to taxes and assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or (ii) is for the purchase, discharge, compromise or settlement of any other prior lien, may do

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so without inquiry as to the validity or amount of any claim for lien which may be asserted.

2.11. Condemnation.

Mortgagor hereby assigns, transfers and sets over unto Mortgagee the entire proceeds of any award or any claim for damages for any of the Premises taken or damaged under the power of eminent domain or by condemnation (the "**Condemnation Proceeds**"). Mortgagee may elect to apply the Condemnation Proceeds upon or in reduction of the Liabilities, whether due or not, or make the Condemnation Proceeds available for restoration or rebuilding of the Premises. In the event Mortgagee elects to apply the Condemnation Proceeds in reduction or satisfaction of the Liabilities, such prepayment shall be without penalty or premium to Mortgagor. In spite of whether the Condemnation Proceeds are made available for restoration or rebuilding, and irrespective of whether the Condemnation Proceeds are adequate for such purpose, the Premises shall be restored or rebuilt in accordance with plans and specifications to be submitted to and approved by Mortgagee. In the event the Condemnation Proceeds are made available for rebuilding or restoration, the Condemnation Proceeds shall be disbursed in the manner and under the conditions that Mortgagee may require and paid out in the same manner as provided in Section 2.5 hereof for the payment of insurance proceeds toward the cost of rebuilding or restoration. In such event, if the estimated cost to complete rebuilding or restoration exceeds the Condemnation Proceeds, Mortgagor immediately shall, on written demand of Mortgagee, deposit cash with Mortgagee the amount of such excess cost. Any surplus which may remain after payment of such cost of building or restoration shall, at the option of Mortgagee, be applied on account of the Liabilities or be paid to any party entitled thereto, without interest.

2.12. Mortgagee's Right of Inspection.

Upon not less than twenty-four (24) hours prior notice, Mortgagee shall have the right to inspect the Premises at all reasonable times and access thereto shall be permitted for that purpose.

2.13. Continuing Priority.

Mortgagor shall pay such fees, taxes and charges, execute and file (at Mortgagor's expense) such financing statements, obtain such acknowledgments or consents, notify such obligors or providers of services and materials and do all such other acts and things as Mortgagee may from time to time reasonably request to establish and maintain a valid and perfected first and prior lien on, and security interest in, the Collateral and to provide for payment to Mortgagee directly of all cash proceeds thereof subject to the license under Section 2.18(c), with Mortgagee in possession of the Collateral to the extent it requests; keep all of its books and records relating to the Collateral on the Premises or at Mortgagor's principal place of business; keep all tangible Collateral (including replacement of personal property in the ordinary course of business) on the Premises except as Mortgagee may otherwise consent in writing; make notations on its books and records sufficient to enable Mortgagee, as well as

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third parties, to determine the interest of Mortgagee hereunder; and not collect any Rents or the proceeds of any of the Leases or Intangibles more than thirty (30) days before the same shall be due and payable, except as to which Mortgagee may otherwise consent in writing.

2.14. Utilities.

Mortgagor shall pay all utility charges incurred in connection with the Collateral and maintain all utility services available for use at the Premises.

2.15. Contract Maintenance; Other Agreements; Leases.

(a) Mortgagor shall, for the benefit of Mortgagee, fully and promptly keep, observe, perform and satisfy each obligation, condition, covenant, and restriction of Mortgagor affecting the Premises or imposed on it under any agreement between Mortgagor and any third party relating to the Collateral or the Liabilities secured hereby, including, without limitation, the Leases, the Contracts for Sale, the Contracts for Services, Management Agreements and the Intangibles (collectively, the "**Third Party Agreements**"), so that there will be no default thereunder which could have a material adverse effect upon Mortgagor, the Collateral or Mortgagee's rights under the Loan Documents and so that Persons (other than Mortgagor) obligated thereon shall be and remain at all times obligated to perform their respective obligations under such Third Party Agreements for the benefit of Mortgagee; and Mortgagor will not permit to exist any condition, event or fact which could allow or serve as a basis or justification for any such Person to avoid such performance. Without the prior written consent of Mortgagee, which consent shall not be unreasonably withheld or delayed, Mortgagor shall not: (i) make or permit any termination of the rights of Mortgagor under any Third Party Agreement (except with respect to Leases other than the Interparking Leases); (ii) collect Rents or the proceeds of any Leases or Intangibles more than thirty (30) days before the same shall be due and payable; (iii) modify or amend any Interparking Lease, cancel or terminate the same or accept a surrender of the leased premises thereunder except Mortgagor shall have the right to extend or renew the Interparking Leases on terms no less favorable to Borrower than the existing terms of the Interparking Leases without the prior consent of Mortgagee; (iv) consent to the assignment or subletting of the whole or any portion of any tenant's interest under the Interparking Leases or grant any options to renew, except as provided above in Section 2.15(a)(iii); or (v) in any other manner impair Mortgagee's rights and interest with respect to the Rents. Mortgagor shall: (i) furnish Mortgagee, within ten (10) days after a request by Mortgagee to do so, a written statement containing the names of all tenants, terms of all Leases, including the spaces occupied and the rentals payable thereunder; (ii) exercise within five (5) days of any demand therefor by Mortgagee any right to request from the tenant under any Lease a certificate with respect to the status thereof; (iii) not permit any Lease to become subordinate to any lien on the Premises without the prior written consent of Mortgagee; and (iv) include in each Lease a provision whereby the tenant thereunder covenants that it will not subordinate its leasehold interest therein to any lien on the Premises without the prior written consent of Mortgagee. Mortgagor shall promptly deliver to Mortgagee copies of any demands or notices of default received by Mortgagor in connection with any Third Party Agreement and allow

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Mortgagee the right, but not the obligation, to cure any such default. All security or other deposits, if any, received from tenants under the Leases shall, to the extent required by applicable law or the Loan Documents, be segregated and maintained in an account reasonably satisfactory to Mortgagee and in compliance with the laws of the state where the Premises are located and with an institution reasonably satisfactory to Mortgagee.

(b) Nothing in this Mortgage or in any of the other Loan Documents shall be construed to obligate Mortgagee, expressly or by implication, to perform any of the covenants of Mortgagor as landlord under any of the Leases assigned to Mortgagee or to pay any sum of money or damages therein provided to be paid by Mortgagee, each and all of which covenants and payments Mortgagor agrees to perform and pay. Unless waived by Mortgagee, each of the Leases entered into, modified, amended or renewed after the date hereof shall have a subordination provision in form and substance reasonably satisfactory to Mortgagee, subordinating the interest of the tenants under the Leases to this Mortgage, and all renewals, modifications, consolidations, replacements and extensions hereof and shall have attornment and noncancellation clauses in form and substance reasonably satisfactory to Mortgagee. Until all of the Liabilities and other sums secured by this Mortgage are paid in full, Mortgagee reserves the right to require that any Lease be made either superior to or inferior to the lien of this Mortgage.

(c) In the event of the enforcement by Mortgagee of the remedies provided for by law or by this Mortgage, the tenants under each Lease shall attorn to any person succeeding to the interest of Mortgagor as a result of such enforcement and shall recognize such successor in interest as landlord under such Lease without change in the terms or other provisions thereof; provided, however, that said successor in interest shall not be bound by any payment of rent or additional rent for more than one month in advance, nor any amendment or modification to any Lease made without the consent of Mortgagee or said successor in interest. Each tenant, upon request by said successor in interest, shall execute and deliver an instrument or instruments confirming such attornment.

2.16. Notify Mortgagee of Default.

Mortgagor shall notify Mortgagee in writing immediately upon learning of the occurrence of any Default hereunder, which notice shall describe such Default and the steps being taken by Mortgagor with respect thereto.

2.17. Restrictions on Transfers; Assignments; Future Leases.

Mortgagor acknowledges that the continuous ownership of the Premises and the continuous management and/or control of the operation and development of the same by Mortgagor is of a material nature to the transaction, and the making of the Loan, and therefore it shall be a Default hereunder if, without the prior written consent of Mortgagee, which may be granted or withheld on Mortgagee's sole discretion, any one or more of the following shall occur (in each case whether any such conveyance, sale, contract, assignment, transfer, pledge,

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mortgage, security interest, or other voluntary lien, encumbrance or alienation (a "Transfer") is effected directly or indirectly):

(a) If Mortgagor shall create, effect or consent to or suffer or permit any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of the Premises or any part thereof, or interest therein, whether any such conveyance, sale, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided, that the foregoing provisions of this Section 2.17(a) shall not apply (A) to the lien of this Mortgage or any lien created pursuant to the other Loan Documents, or (B) to the lien of current taxes and assessments which are not yet due and payable; or

(b) If Mortgagor shall cause or permit any Rents, Leases, Contracts for Sale, Management Agreements or other contracts relating to the Premises to be assigned, transferred, conveyed, pledged or disposed of to any party other than Mortgagee or permit any such assignment to occur by operation of law; or

(c) If Mortgagor shall cause or permit all or any portion of or interest in the Premises or the Improvements to be leased (that word having the same meaning for purposes hereof as it does in the law of landlord and tenant) directly or indirectly to any Person, except for leases in the ordinary course of Mortgagor's business at the Premises, with terms expiring on or before the Maturity Date.

Notwithstanding the foregoing, Transfers of the Collateral to an Affiliate of Mortgagor shall be permitted without first obtaining consent of Mortgagor provided: (a) the transferee Affiliate assumes and agrees to perform all of the obligations of Mortgagor under the Note, this Mortgage and the other Loan Documents, and (b) such Transfer does not in any way release or operate to release Mortgagor from any liability under the Note, this Mortgage or the other Loan Documents. Mortgagor shall provide written evidence of any such Transfer to an Affiliate to Mortgagee within five (5) business days after the same is effective. An "Affiliate" of Mortgagor shall be deemed to be any limited partnership, limited liability company or other entity which is under the Control of Mortgagor or its general partner, Urban Growth Property Trust, a Maryland real estate investment trust. For purposes of this section, "Control" means, with respect to any entity or person, the power to direct the management and policies of such entity or person, directly or indirectly, whether through ownership of voting securities or otherwise.

2.18. Assignment of Leases and Rents and Collections.

(a) All of Mortgagor's interest in and rights under the Leases now existing or hereafter entered into, and all of the Rents, whether now due, past due, or to become due, and including all prepaid rents and security deposits, and all other amounts due with respect to any of the other Collateral, are hereby absolutely, presently and unconditionally assigned and conveyed to Mortgagee to be applied by Mortgagee in payment of the Liabilities and all

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other sums payable under this Mortgage. Prior to the occurrence of any Default, Mortgagor shall have a license to collect and receive all Rents and other amounts, which license shall be terminated at the sole option of Mortgagee, without regard to the adequacy of its security hereunder and without notice to, or demand upon, Mortgagor, upon the occurrence of any Default. It is understood and agreed that neither the foregoing assignment to Mortgagee nor the exercise by Mortgagee of any of its rights or remedies under Article III hereof shall be deemed to make Mortgagee a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Collateral or the use, occupancy, enjoyment or any portion thereof, unless and until Mortgagee, in person or by agent, assumes actual possession thereof. Nor shall appointment of a receiver for the Collateral by any court at the request of Mortgagee or by agreement with Mortgagor, or the entering into possession of any part of the Collateral by such receiver, be deemed to make Mortgagee a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Collateral or the use, occupancy, enjoyment or operation of all or any portion thereof. Upon the occurrence of any Default, this Section 2.18 shall constitute a direction to and full authority to each tenant under any Leases, each guarantor of any of the Leases and any other Person obligated under any of the Collateral to pay all Rents and other amounts to Mortgagee without proof of the Default relied upon. Mortgagor hereby irrevocably authorizes each such Person to rely upon, and comply with, any notice or demand by Mortgagee for the payment to Mortgagee of any Rents and other amounts due or to become due. In the event a court of competent jurisdiction construes the assignment of Rents set forth in this Section 2.18 to be collateral that secures the Liabilities rather than an absolute assignment, the assignment shall constitute an assignment of rents as set forth in 765 ILCS 5/31.5 and thereby creates a security interest in the Rents that will be perfected upon the recording of this Mortgage.

(b) Mortgagor shall apply the Rents and other amounts to the payment of all necessary and reasonable operating costs and expenses of the Collateral, debt service on the Liabilities and otherwise in compliance with the provisions of this Mortgage, the Note and the other Loan Documents, subject to the license granted below in Section 2.18(c).

(c) Mortgagor shall at all times fully perform the obligations of the lessor under the Interparking Leases. Mortgagor shall at any time, or from time to time, upon request of Mortgagee, transfer and assign to Mortgagee in such form as may be satisfactory to Mortgagee, Mortgagor's interest in the Leases, subject to and upon the condition, however, that prior to the occurrence of any Default hereunder, Mortgagor shall have a license to collect and receive all Rents under such Leases upon accrual, but not prior thereto, as set forth in paragraph (a) above.

(d) Mortgagee shall have the right to assign Mortgagee's right, title and interest in any Leases to any subsequent holder of this Mortgage or any participating interest therein or to any Person or entity acquiring title to all or any part of the Collateral through foreclosure or otherwise. Any subsequent assignee shall have all the rights and powers herein provided to Mortgagee. Upon the occurrence of any Default, Mortgagee shall have the right to execute new leases of any part of the Collateral, including leases that extend beyond the term

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of this Mortgage. Mortgagee shall have the authority, as Mortgagor's attorney-in-fact, such authority being coupled with an interest and irrevocable, to sign the name of Mortgagor and to bind Mortgagor on all papers and documents relating to the operation, leasing and maintenance of the Collateral.

2.19 Environmental Compliance.

Mortgagor has delivered to Mortgagee that (i) certain Phase I Assessment dated September 2, 1998 issued by Arcadis, Geraghty & Miller relating to the Franklin Mortgaged Property (the "**Franklin Existing Report**") and (ii) that certain Phase I Assessment and Update dated July 17, 1998 and July, 1998, respectively, issued by Arcadis, Geraghty & Miller relating to the Ontario Mortgaged Property (the "**Ontario Existing Report**", together with the Ontario Existing Report, the "**Existing Reports**"). Except as may be set forth in the Existing Reports, Mortgagor makes the following representations and warranties:

(a) To the best of Mortgagor's knowledge and except as disclosed in the Existing Reports, neither Mortgagor nor the property manager for the Premises (if any) or any other Person is in violation, or alleged violation, of any judgment, decree, order, law, license, rule or regulation pertaining to environmental matters, including without limitation, those arising under the Resource Conservation and Recovery Act ("**RCRA**"), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended ("**CERCLA**"), the Superfund Amendments and Reauthorization Act of 1986 ("**SARA**"), the Federal Clean Water Act, the Federal Clean Air Act, the Toxic Substances Control Act, or any state or local statute, regulation, ordinance, order or decree relating to health, safety or the environment, including, without limitation, the environmental statutes, regulations, orders and decrees of the States in which any of the Real Estate may be located (hereinafter collectively referred to as the "**Environmental Laws**"), which violation either involves the Premises, or would have a material adverse effect on (i) any of the Collateral, (ii) the business results of operations on financial condition of Mortgagor or Guarantor, (iii) the ability of Mortgagor or Guarantor to perform their respective obligations under the Loan Documents, or (iv) the validity or enforceability of any of the Loan Documents or the remedies or material rights of Mortgagee thereunder (each of the foregoing is individually a "**Material Adverse Effect**").

(b) Mortgagor has not received notice from any third party including, without limitation any federal, state or local governmental authority with respect to the Premises, (i) that it has been identified by the United States Environmental Protection Agency ("**EPA**") as a potentially responsible party under CERCLA with respect to a site listed on the National Priorities List, 40 C.F.R. Part 300 Appendix B (1986); (ii) that any hazardous waste, as defined by 42 U.S.C. § 9601(5), any hazardous substances as defined by 42 U.S.C. § 9601(14), any pollutant or contaminant as defined by 42 U.S.C. § 9601(33) or any toxic substances, oil or hazardous materials or other chemicals or substances regulated by any Environmental Laws ("**Hazardous Materials**") which it has generated, transported or disposed of have been found at any site at which a federal, state or local agency or other third party has conducted or has ordered that Mortgagor conduct a remedial investigation, removal or other

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response action pursuant to any Environmental Law; or (iii) that it is or shall be a named party to any claim, action, cause of action, complaint, or legal or administrative proceeding (in each case, contingent or otherwise) arising out of any third party's incurrence of costs, expenses, losses or damages of any kind whatsoever in connection with the release of Hazardous Materials.

(c) (i) To the best of Mortgagor's knowledge, no portion of the Premises has been used for the handling, processing, storage or disposal of Hazardous Materials except in material compliance with applicable Environmental Laws; and no underground tank or other underground storage receptacle for Hazardous Materials is located on any portion of the Premises, except as may be disclosed by the Existing Reports; (ii) to the best of Mortgagor's knowledge, in the course of any activities conducted by Mortgagor, any property manager of the Premises, any ground or space tenants on the Premises, no Hazardous Materials have been generated or are being used on the Premises except in material compliance with applicable Environmental Laws; (iii) there has been no present, or to the best of Mortgagor's knowledge past, releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, disposing or dumping (a "Release") or threatened Release of Hazardous Materials on, upon, into or from the Premises and; (iv) to the best of Mortgagor's knowledge, there have been no Releases on, upon, from or into any real property in the vicinity of any of the Premises which, through soil or groundwater contamination, may have come to be located on, and which would have a Material Adverse Effect; and (v) notwithstanding that any representation contained herein may be limited to the knowledge of Mortgagor, any such limitation shall not affect the covenants specified elsewhere in this Mortgage or in the Environmental Indemnification Agreement.

2.20. Reserve for Taxes, Assessments and Insurance

After a Default, Mortgagor covenants and agrees to pay to Mortgagee (or as directed by Mortgagee, to a depository ("**Depository**")) monthly until amounts due under the Note and all of the other Liabilities have been paid in full, in addition to the monthly payments of principal and interest under the terms of the Note and concurrently therewith monthly until the Note is fully repaid, a sum equal to taxes and assessments next due upon the Premises (all as reasonably estimated by Mortgagee) and the premiums that will next become due and payable on policies of fire, rental value and other insurance covering the Premises required under the terms of this Mortgage, divided by the number of months to elapse before one month prior to the date when such taxes, assessments and insurance premiums will become due and payable, such sums to be held by Mortgagee or the Depository, if any, without interest accruing thereon, to pay each of the said items.

All payments described above in this Section 2.20 shall be paid by Mortgagor each month in a single payment to be applied by Mortgagee or the Depository, if any, to the foregoing items in such order as Mortgagee shall elect in its sole discretion.

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After a Default, Mortgagor shall also pay to Mortgagee, at least thirty (30) days prior to the due date of any taxes, assessments or insurance premiums levied on, against or with respect to the Premises, such additional amount as may be necessary to provide Mortgagee or the Depository, if any, with sufficient funds to pay any such tax, assessment and insurance premiums under this Section 2.20 at least thirty (30) days in advance of the due date thereof.

After a Default, Mortgagee or the Depository, if any, shall, within twenty (20) days of receipt from Mortgagor of a written request therefor together with such supporting documentation as Mortgagee may reasonably require (including, without limitation, official tax bills or statements for insurance premiums), cause the proper amounts to be withdrawn from the applicable depository account and paid directly to the appropriate tax collecting authority or insurer. Even though Mortgagor may have made all appropriate payments to Mortgagee or the Depository, if any, as required by this Mortgage, Mortgagor shall nevertheless have full and sole responsibility at all times to cause all taxes, assessments and insurance premiums to be fully and timely paid, and Mortgagee or any Depository shall have no responsibility or obligation of any kind with respect thereto except with respect to payments required to be made by Mortgagor hereunder for which Mortgagee or the Depository, if any, has received funds to cover such payments in full and all statements, invoices, reports or other materials necessary to make such payments, all not less than thirty (30) days prior to the deadline for any such payment. If at any time the funds so held by Mortgagee shall be insufficient to cover the full amount of all taxes, assessments and insurance premiums then accrued (as estimated by Mortgagee) with respect to the then-current twelve-month period, Mortgagor shall, within ten (10) days after receipt of notice thereof from Mortgagee or the Depository, if any, deposit with Mortgagee or the Depository, if any, such additional funds as may be necessary to remove the deficiency. Failure to do so within such 10-day period shall be a Default hereunder and all sums hereby secured shall immediately become due and payable at the option of Mortgagee. In the event the Premises are sold under foreclosure or are otherwise acquired by Mortgagee, accumulations under this Section 2.20 may be applied to the Liabilities in such order of application as Mortgagee may elect in its sole discretion. Any Depository hereunder shall not be liable for any act or omission performed in good faith or pursuant to the direction of any party hereto, but shall be liable only for its gross negligence or willful misconduct.

2.21. Governmental Requirements; Utilities.

Mortgagor shall at all times fully comply with, and cause the Collateral and the use and condition thereof fully to comply with, all federal, state, county, municipal, local and other governmental statutes, ordinances, requirements, regulations, rules, orders and decrees of any kind whatsoever that apply or relate to Mortgagor or the Collateral or the use thereof, and will observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits, privileges, franchises and concessions (including, without limitation, those relating to land use and development, landmark preservation, construction, access, water rights and use, noise and pollution) which are applicable to Mortgagor or have been granted for the Collateral or the use thereof. Mortgagor shall pay all utility charges

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incurred in connection with the Collateral and maintain all utility services available for use at the Premises.

2.22. Financial Statements, Certificates and Information.

Mortgagor will deliver to Mortgagee, as soon as practicable, but in any event not later than forty-five (45) days after the end of each fiscal quarter of Mortgagor, copies of the unaudited balance sheets of Mortgagor as at the end of such quarter, and the related unaudited statement of income and estimated taxable income for the portion of Mortgagor's fiscal year then elapsed, all in reasonable detail and prepared in accordance with generally accepted accounting principles, together with a certification by the principal financial or accounting officer of Mortgagor that the information contained in such financial statements fairly presents the financial position of Mortgagor on the date thereof (subject to year-end adjustments). Copies of any audited financial statements prepared for Mortgagor shall be delivered to Mortgagee within ten (10) days after receipt of the same by Mortgagor.

2.23. Minimum Debt Service Coverage.

Mortgagor covenants and agrees that, so long as the Note or the Loan is outstanding, Mortgagor will not permit the then outstanding Loan Amount to exceed an amount such that (x) the aggregate of the Net Operating Income (as hereinafter defined) for the Collateral, divided by (y) Pro Forma Debt Service Charges (as hereinafter defined) for the Collateral would be less than 2.0. For purposes of this Section 2.23, "Net Operating Income" shall mean the total rental including percentage rents and other operating income from the operation or lease of the Collateral after deducting all expenses and other proper charges incurred by Mortgagor in connection with the operation of the Collateral during the three (3) month period immediately preceding the date of this calculation (the "Reporting Period"), including, without limitation, real estate taxes, bad debt expenses and management fees (which fees shall be the greater of actual management fees incurred by Mortgagor or an imputed management fee equal to three percent (3%) of the gross rental value derived from all Leases other than the Interparking Leases), but before payment or provision for income taxes, and depreciation, amortization, and other non-cash expenses, all as determined in accordance with general accepted accounting principles except that (a) rental income will be determined on a cash basis, provided, however, that each payment of prepaid rent shall be allocated to the period for which it applies, (b) adjustments will be made so that the Reporting Period will include one quarter of annual real estate tax, insurance expenses and any other proper annual expenses, and (c) any non-recurring income or income not directly from the operation or lease of such Mortgaged Property, such as interest income, shall be excluded. For purposes of this Section 2.23, "Pro Forma Debt Service Charges" shall mean an amount equal to three monthly principal and interest payments based on a twenty-five (25) year mortgage style amortization schedule, calculated on the Loan Amount and an interest rate equal to the greater of (i) 8.50% or (ii) the then current ten (10) year U.S. Treasury bill yield plus 2.50% per annum.

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III. DEFAULT; REMEDIES

3.1. Defaults.

Each of the following shall constitute a default ("**Default**") hereunder:

(a) The failure of Mortgagor to pay any installment of principal, interest or principal and interest, or any required escrow deposit required to be paid under the Note, this Mortgage or any of the other Loan Documents within five (5) days after the date the same shall be due and payable, except that such five (5) day grace period shall not apply to the payment of any principal and /or interest due on the Maturity Date, provided that real estate taxes can be paid pursuant to the installment method in accordance with applicable law as long as all such tax payments are made on or before the required installment payment dates, or the failure to pay any other sum required to be paid under the Note, this Mortgage or any of the other Loan Documents within ten (10) days after notice and demand; or

(b) The failure of Mortgagor to perform or observe any other term, provision, covenant, condition or agreement under the Note, this Mortgage or any of the other Loan Documents not otherwise specified in this Section 3.1 within thirty (30) days after notice and demand; provided, however, if such term, provision, covenant, condition or agreement cannot by its nature be cured within such thirty (30) day period and that such covenant is not contained in Section 2.23, and if Mortgagor commences to cure such failure promptly after written notice thereof, and thereafter diligently pursues the curing thereof (and then in all events cures such failure within ninety (90) days after the original notice thereof), Mortgagor shall not be in default hereunder during such period of diligent curing; or

(c) Any representation, warranty, statement, report or certificate made by Mortgagor contained herein or in any other Loan Document shall prove to have been false or misleading as of the time such representation, warranty, statement, report or certificate was made; or

(d) If all or any of Mortgagor's assets in excess of \$500,000.00 in the aggregate are attached, seized, subjected to a writ or distress warrant, or are levied upon, or come into the possession of any judicial officer or assignee for the benefit of creditors unless, with respect to any such assets, such attachment, seizure, writ, warrant or levy shall be dismissed, released or stayed within thirty (30) days of issuance thereof.

(e) If any proceeding is commenced by Mortgagor under any provision of the United States Bankruptcy Code, 11 U.S.C. § 101 et seq., as amended from time to time (the "**Bankruptcy Code**"), or under any other bankruptcy, reorganization or insolvency law, or any assignment for the benefit of creditors, formal or informal, moratorium, compositions or extensions with some or all creditors of such person (each, an "**Insolvency Proceeding**").

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(f) If an Insolvency Proceeding is commenced against Mortgagor, except that if Mortgagor is contesting such proceeding in good faith, such Insolvency Proceeding shall not constitute a Default unless such Insolvency Proceeding is not dismissed within ninety (90) days of the commencement of such Insolvency Proceedings.

(g) If Mortgagor is enjoined, restrained or in any way prevented by court order from continuing to conduct all or any material part of its business affairs.

(h) If a notice of lien, levy or assessment in excess of \$500,000.00 in the aggregate as to Mortgagor is filed of record with respect to any or all of Mortgagor's assets by the United States Government, or any department, agency or instrumentality thereof, or by any state, county, municipal or other governmental agency, or if any taxes or debts owing at any time hereafter to any one or more of such entities in excess of \$500,000.00 in the aggregate as to Mortgagor becomes a lien, whether choate or otherwise, upon any or all of Mortgagor's assets and the same is not paid on the payment date thereof.

(i) If a judgment or other claim in excess of \$5,000,000.00 individually or \$10,000,000.00 in the aggregate as to Mortgagor becomes a Lien upon any or all of Mortgagor's assets.

(j) The occurrence of any Default or Event of Default (as defined therein) under the Note or any other Loan Document by Mortgagor.

3.2. Acceleration.

Upon the occurrence of any Default, the entire indebtedness evidenced by the Note and all other Liabilities, together with Default Interest thereon shall, notwithstanding any provisions of the Note or the other Loan Documents, at the option of Mortgagee, become immediately due and payable without demand or notice of any kind to Mortgagor or any other Person. Further, in the event Mortgagee shall be or become entitled to, or shall, accelerate the indebtedness secured hereby, Mortgagee shall have the right, at Mortgagor's expense, to conduct an environmental audit, review and assessment of the Premises and Mortgagor hereby consents to Mortgagee and its representatives entering upon the Premises for such purpose. The scope of such environmental audit, review and assessment shall be determined by Mortgagee, in Mortgagee's reasonable discretion.

3.3. Foreclosure; Expense of Litigation.

Upon the occurrence of any Default, Mortgagee shall have the right immediately to foreclose this Mortgage. In any civil action to foreclose the lien hereof, there shall be allowed and included as Liabilities in the order or judgment for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for all reasonable attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after entry of

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the order or judgment) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such civil actions or to evidence to bidders at any sale which may be held pursuant to such order or judgment the true condition of the title to or the value of the Collateral. All expenditures and expenses of the nature in this Section 3.3 mentioned, and such expenses and fees as may be incurred in the protection of the Collateral and maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or the other Liabilities, including probate, bankruptcy and appellate proceedings, or in preparation for the commencement or defense of any proceeding of threatened civil actions or proceeding shall be immediately due and payable by Mortgagor, with Default Interest thereon, and shall be secured by this Mortgage.

3.4. Application of Proceeds of Foreclosure Sale.

The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Section 3.3 hereof; second, all other items which may under the terms hereof constitute Liabilities other than the Liabilities evidenced by the Note, with interest thereon as herein provided; third, all principal, interest and any fees remaining unpaid on the Note; and fourth, any overage to Mortgagor, its successors or assigns, as their rights may appear.

3.5. Appointment of Receiver.

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

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3.6. Mortgagee's Right of Possession in Case of Default.

In any case in which under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings, whether before or after the Liabilities secured hereby are declared to be immediately due, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, forthwith, upon demand of Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of the Premises or any part thereof personally, or by its agents or attorneys, as for condition broken. In such event, Mortgagee in its discretion may, in accordance with law, enter upon and take and maintain possession of all or any part of the Premises, together with all documents, books, records, papers and accounts of Mortgagor or then owner of the Premises relating thereto, and may exclude Mortgagor, its agents or servants, wholly therefrom, and may as attorney in fact or agent of Mortgagor, or in its own name as Mortgagee and under the powers herein granted, hold, operate, manage and control the Premises and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the Premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, and with full power to: (i) cancel or terminate any Lease or sublease for any cause or on any grounds which would entitle Mortgagor to cancel the same; (ii) elect to disaffirm any Lease or sublease which is then subordinate to the lien hereof; (iii) extend or modify any Leases and to make new Leases, which extensions, modifications and new Leases may provide for terms to expire, or for options to tenants to extend or renew terms to expire, beyond the maturity date of Liabilities and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such Leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from a foreclosure of this Mortgage, discharge of the Liabilities, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; (iv) make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Premises as Mortgagee may deem appropriate; (v) insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof; and (vi) receive all of such Rents and proceeds, hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without prior notice to Mortgagor.

3.7. Application of Income Received by Mortgagee.

Mortgagee, in the exercise of the rights and powers conferred herein, shall have full power to use and apply the Rents and proceeds of the Premises to the payment of or on account of the following, in such order as Mortgagee may reasonably determine:

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(a) to the payment of the operating expenses of the Premises, including the cost to manage and lease the Premises (which shall include appropriate compensation to Mortgagee and its agent or agents, if management be delegated to an agent or agents), establishing claims for damages, if any, and premiums on insurance hereinabove authorized;

(b) to the payment of taxes and special assessments now due or which may hereafter become due on the Premises;

(c) to the payment of all repairs, replacements, alterations, additions, betterments, and improvements of the Premises and of placing the Premises in such condition as will, in the judgment of Mortgagee, make it readily marketable and rentable; and

(d) to the payment of any of the Liabilities or any deficiency which may result from any foreclosure sale.

3.8. Performance of Third Party Agreements.

Mortgagee may, in its sole discretion at any time after the occurrence of a Default (or prior thereto if so provided elsewhere in this Mortgage), notify any Person obligated to Mortgagor under or with respect to any Third Party Agreements of the existence of a Default, require that performance be made directly to Mortgagee at Mortgagor's expense, advance such sums as are necessary or appropriate to satisfy Mortgagor's obligations thereunder and exercise, on behalf of Mortgagor, any and all rights of Mortgagor under the Third Party Agreements as Mortgagee, in its sole discretion, deems necessary or appropriate; and Mortgagor agrees to cooperate with Mortgagee in all ways reasonably requested by Mortgagee (including the giving of any notices requested by, or joining in any notices given by, Mortgagee) to accomplish the foregoing.

3.9. Rights Cumulative.

No right, power or remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other right, power or remedy, and each right, power and remedy herein conferred upon Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing, at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by Mortgagee, and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy, and no delay or omission of Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any Default or acquiescence therein.

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3.10 Relief from Automatic Stay.

Mortgagor hereby agrees that, in consideration of the recitals and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in the event Mortgagor shall (i) file with any bankruptcy court of competent jurisdiction or be the subject of any petition under the Bankruptcy Code (ii) be the subject of any order for relief issued under the Bankruptcy Code, (iii) file or be the subject of any petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future federal or state act or law relating to bankruptcy, insolvency, or other relief for debtors, (iv) have sought or consented to or acquiesced in the appointment of any trustee, receiver, conservator, or liquidator, or (v) be the subject of any order, judgment, or decree entered by any court of competent jurisdiction approving a petition filed against such party for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future federal or state act or law relating to bankruptcy, insolvency, or relief for debtors, then, subject to court approval, Mortgagee shall thereupon be entitled and Mortgagor irrevocably consents to relief from any automatic stay imposed by Section 362 of the Bankruptcy Code, or otherwise, on or against the exercise of the rights and remedies otherwise available to Mortgagee as provided in the Note, this Mortgage and the other Loan Documents and as otherwise provided by law, and Mortgagor hereby irrevocably waives its right to object to such relief.

IV. GENERAL

4.1. Release upon Payment and Discharge of Mortgagor's Obligations.

Mortgagee shall release this Mortgage and the lien thereof by proper instrument upon payment and discharge of all of the Liabilities.

4.2. Giving of Notice.

Except as otherwise expressly provided herein, any notice required or desired to be served, given or delivered hereunder shall be in the form and manner specified below, and shall be addressed to the party to be notified as follows:

If to Mortgagee: LaSalle Bank N.A.
 135 South LaSalle Street, Suite 510
 Chicago, Illinois 60603
 Attention: Klay Schmeisser
 Facsimile: 312/904-6467

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With a copy to: Jenner & Block
One IBM Plaza
Chicago, Illinois 60611
Attention: Donald I. Resnick
Facsimile: 312/840-7656

If to Mortgagor: Urban Growth Property Limited Partnership
111 West Jackson Boulevard
Chicago, Illinois 60604
Attention: Michael Kassarian
Facsimile: (312) 935-2971

With a copy to: Urban Growth Property Trust
111 West Jackson Boulevard
Chicago, Illinois 60604
Attention: Lynne Wolfberg
Telecopy: (312) 935-2971

or to such other address as each party designates to the other by notice in the manner herein prescribed. Notice shall be deemed given hereunder if (i) delivered personally or otherwise actually received, (ii) sent by overnight delivery service, (iii) mailed by first-class United States mail, postage prepaid, registered or certified, with return receipt requested, or (iv) sent via telecopy machine with a duplicate signed copy sent on the same day as provided in clause (ii) above. Notice mailed as provided in clause (iii) above shall be effective upon the expiration of three (3) business days after its deposit in the United States mail, and notice telecopied as provided in clause (iv) above shall be effective upon receipt of such telecopy if the duplicate signed copy is sent under clause (iii) above. Notice given in any other manner described in this section shall be effective upon receipt by the addressee thereof, provided, however, that if any notice is tendered to an addressee and delivery thereof is refused by such addressee, such notice shall be effective upon such tender unless expressly set forth in such notice.

4.3. Waiver of Notice.

No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note hereby secured.

4.4. Waiver of Statutory Rights.

Mortgagor shall not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself, and all who may claim through or under

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it, waives any and all right to have the property and estates comprising the Collateral marshaled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Collateral sold as an entirety. Mortgagor does hereby expressly waive any and all rights of redemption from any order, judgment or decree of foreclosure of this Mortgage on behalf of Mortgagor and each and every person acquiring any interest in or title to the Collateral subsequent to the date of this Mortgage. Mortgagor does hereby further expressly waive, to the extent now or hereafter permitted by law, all rights of reinstatement of this Mortgage pursuant to applicable law.

4.5. Security Agreement: Fixture Filing.

In the event of a Default under this Mortgage, Mortgagee, pursuant to the appropriate provisions of the UCC, shall have the option of proceeding as to both real property and personal property in accordance with its rights and remedies with respect to the Real Property, in which event the default provisions of the UCC shall not apply. The parties agree that, in the event Mortgagee shall elect to proceed with respect to the personal property Collateral securing the Liabilities separately from the Real Property, five (5) days notice of the sale of the personal property Collateral shall be reasonable notice. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by Mortgagee shall include, but not be limited to, reasonable attorneys' fees and legal expenses incurred by Mortgagee. Mortgagor agrees that, without the written consent of Mortgagee, Mortgagor will not remove or permit to be removed from the Premises any of the Goods or other personal property or fixtures securing the Liabilities except that so long as no Default has occurred and is continuing, Mortgagor shall be permitted to sell or otherwise dispose of such property when obsolete, worn out, inadequate, unserviceable or unnecessary for use in the operation of the Premises, upon replacing the same or substituting for the same other property at least equal in value to the initial value to that disposed of and in such a manner so that said other property shall be subject to the security interest created hereby and so that the security interest of Mortgagee shall always be perfected and first in priority, it being expressly understood and agreed that all replacements, substitutions and additions to the property securing the Liabilities shall be and become immediately subject to the security interest of this Mortgage and covered hereby. Mortgagor shall, from time to time, on request of Mortgagee, deliver to Mortgagee in reasonable detail an inventory of the Goods and other personal property securing the Liabilities. Mortgagor covenants and represents that the Goods and all other personal property securing the Liabilities now are, and that all replacements thereof, substitutions therefor or additions thereto, unless Mortgagee otherwise consents, will be free and clear of liens, encumbrances or security interest of others, except for the Permitted Exceptions and equipment leases obtained in the ordinary course of business.

4.6. Filing and Recording Fees.

Mortgagor will pay all filing, registration or recording fees, and all expenses incident to the execution and acknowledgment of this Mortgage and any other Loan Document, and all Federal, state, county, and municipal taxes, and other taxes, duties, imposts, assessments

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and charges arising out of or in connection with the execution and delivery of the Note, this Mortgage or the other Loan Documents.

4.7. No Liability on Mortgagee.

Notwithstanding anything contained herein, Mortgagee shall not be obligated to perform or discharge, and does not hereby undertake to perform or discharge, any obligation, duty or liability of Mortgagor, whether hereunder, under any of the Third Party Agreements or otherwise, and Mortgagor shall and does hereby agree to indemnify against and hold Mortgagee harmless of and from any and all liabilities, losses or damages which Mortgagee may incur or pay under or with respect to any of the Collateral or under or by reason of its exercise of rights hereunder, and any and all claims and demands whatsoever which may be asserted against Mortgagee by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in any of the Collateral or in any of the contracts, documents or instruments evidencing or creating any of the Collateral, except as may result from the gross negligence or intentional misconduct of Mortgagee. Mortgagee shall not have responsibility for the control, care, management or repair of the Premises or be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Premises resulting in loss, injury or death to any tenant, licensee, employee, stranger or other Person. No liability shall be enforced or asserted against Mortgagee in its exercise of the powers granted to it under this Mortgage, and Mortgagor expressly waives and releases any such liability. Should Mortgagee incur any such liability, loss or damage under any of the Third Party Agreements or under or by reason hereof, or in the defense of any claims or demands, Mortgagor agrees to reimburse Mortgagee immediately upon demand for the full amount thereof, including reasonable costs, expenses and attorneys' fees.

4.8. Successors.

This Mortgage, and all provisions hereof, shall extend to and be binding upon Mortgagor and its successors, grantees and assigns, any subsequent owner or owners of the Premises and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note or this Mortgage. The word "Mortgagee" when used herein shall include the successors and assigns of the Mortgagee named herein, and the holder or holders, from time to time, of the Note secured hereby.

4.9. Severability; Governing Laws.

In the event one or more of the provisions contained in this Mortgage, the Note or any other Loan Documents shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of Mortgagee, not affect any other provision of this Mortgage, and this Mortgage shall be construed as if such

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invalid, illegal or unenforceable provision had never been contained herein or therein. The creation of this Mortgage, the perfection of the lien or security interest in the Premises, and the rights and remedies of Mortgagee with respect to the Premises, as provided herein and by the laws of the State of Illinois, shall be governed by and construed in accordance with the internal laws of the State of Illinois without regard to principles of conflicts of law; in addition, the Note, the other Loan Documents, and all other obligations of Mortgagor (including, but not limited to, the liability of Mortgagor for any deficiency following a foreclosure of all or any part of the Premises) shall be governed by and construed in accordance with the internal laws of the State of Illinois without regard to principles of conflicts of laws, such state being the state where such documents were executed and delivered.

4.10. Compliance with Foreclosure Law.

In the event that any provision of this Mortgage shall be inconsistent with any provision of applicable law, the provisions of applicable law shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with applicable law. If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon any Default by Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under applicable law in the absence of said provision, Mortgagee shall be vested with the rights granted by applicable law to the full extent permitted by applicable law. Without limiting the generality of the foregoing, all expenses incurred by Mortgagee to the extent reimbursable under applicable law, whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in this Mortgage, shall be added to the Liabilities secured by this Mortgage or by the judgment of foreclosure.

4.11. No Offset.

No offset or claim that Mortgagor now has or may have in the future against Mortgagee shall relieve Mortgagor from paying any amounts due under the Note secured hereby or from performing any other obligations contained herein or secured hereby.

4.12. No Reliance by Others on the Premises.

Mortgagor shall not by act or omission permit any building or other improvement on the Premises not subject to the lien of this Mortgage to rely on the Premises or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Premises or any interest therein to be used. Similarly, no building or other improvement on the Premises shall rely on any premises not subject to the lien of this Mortgage or any interest therein to fulfill any governmental or municipal requirement. Mortgagor shall not by act or omission impair the integrity of the Premises as currently zoned. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this Section 4.12 shall be void.

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4.13. No Merger.

It being the desire and intention of the parties hereto that this Mortgage and the lien hereof do not merge in fee simple title to the Premises, it is hereby understood and agreed that should Mortgagee acquire any additional or other interests in or to the Premises or the ownership thereof, then, unless a contrary intent is manifested by Mortgagee as evidenced by an express statement to that effect in an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

4.14. Mortgagee Not a Joint Venturer or Partner.

Mortgagor and Mortgagee acknowledge and agree that in no event shall Mortgagee be deemed to be a partner or joint venturer with Mortgagor. Without limitation of the foregoing, Mortgagee shall not be deemed to be such a partner or joint venturer on account of its becoming a "mortgagee-in-possession" or exercising any rights pursuant to this Mortgage or pursuant to any other instrument or document evidencing or securing any of the Liabilities secured hereby, or otherwise.

4.15. Note, Mortgage and other Loan Documents.

Mortgagor covenants that it will timely and fully perform and satisfy all the terms, covenants and conditions of the Note, this Mortgage and the other Loan Documents.

4.16. Miscellaneous.

(a) Mortgagor represents that the proceeds of the Loan will not be used for the purchase of registered equity securities within the purview of Regulation G issued by the Board of Governors of the Federal Reserve System.

(b) Mortgagor, on written request of Mortgagee, shall furnish a signed statement of the amount of the Liabilities and whether or not any Default then exists hereunder and specifying the nature of such Default or Defaults.

(c) Mortgagee shall have the right at its option to foreclose this Mortgage subject to the rights of any tenant or tenants under the Leases and the failure to make any such tenant or tenants a party defendant to any such civil action or to foreclose their rights will not be asserted by Mortgagor as a defense in any civil action instituted to collect the Liabilities, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Collateral, any statute or rule of law at any time existing to the contrary notwithstanding.

(d) At the option of Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance

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proceeds or any award in condemnation) to any and all of the Leases upon the execution by Mortgagee and recording or registering thereof, at any time hereafter, in the office wherein this Mortgage was recorded or registered, of a unilateral declaration to that effect.

(e) Mortgagor represents and warrants that (i) the proceeds of the loan secured by this Mortgage will be used for the purposes specified in 815 ILCS 205/4(c), and that the principal obligation secured hereby constitutes a "business loan" within the purview of said paragraph, and (ii) the loan is a loan secured by a mortgage on real estate which comes within the purview of Section 4(1)(l) of said paragraph.

(f) Mortgagor represents and warrants, that if the disclosure requirements of the Illinois Responsible Property Transfer Act ("RPTA") apply to the loan transaction contemplated by this Mortgage, Mortgagor agrees to comply with RPTA and to timely execute and deliver to Mortgagee such disclosure documents as may be required by RPTA. Mortgagor agrees to place of record simultaneously with the recording of this Mortgage, any disclosure statement furnished to Mortgagee pursuant to this paragraph and also file simultaneously therewith a true and correct copy of said disclosure statement with the Illinois Environmental Protection Agency.

4.17. WAIVER OF JURY TRIAL.

MORTGAGOR (i) WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION TO ENFORCE OR DEFEND ANY MATTER ARISING FROM OR RELATED TO THIS MORTGAGE, THE NOTE OR ANY OF THE OTHER LOAN DOCUMENTS; (ii) IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED IN COOK COUNTY, ILLINOIS OVER ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY MATTER ARISING FROM OR RELATED TO THIS MORTGAGE, THE NOTE OR ANY OF THE OTHER LOAN DOCUMENTS; (iii) IRREVOCABLY WAIVES, TO THE FULLEST EXTENT MORTGAGOR MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF ANY SUCH ACTION OR PROCEEDING; (iv) AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTION BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW; AND (v) AGREES NOT TO INSTITUTE ANY LEGAL ACTION OR PROCEEDING AGAINST MORTGAGEE OR ANY OF MORTGAGEE'S DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR PROPERTY, CONCERNING ANY MATTER ARISING OUT OF OR RELATING TO THIS MORTGAGE, THE NOTE OR ANY OF THE OTHER LOAN DOCUMENTS IN ANY COURT OTHER THAN ONE LOCATED IN COOK COUNTY, ILLINOIS. MORTGAGOR WAIVES PERSONAL SERVICE OF THE SUMMONS AND COMPLAINT, OR OTHER PROCESS OR PAPERS ISSUED IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY MATTER ARISING FROM OR RELATED TO THIS MORTGAGE, THE NOTE OR ANY OF THE OTHER LOAN DOCUMENTS, AND AGREES THAT SERVICE OF SUCH SUMMONS AND

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COMPLAINT, OR OTHER PROCESS OR PAPERS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO MORTGAGOR AT THE ADDRESS OF MORTGAGOR SET FORTH ABOVE. SHOULD MORTGAGOR FAIL TO APPEAR OR ANSWER ANY SUMMONS, COMPLAINT, PROCESS OR PAPERS SO SERVED WITHIN THIRTY (30) DAYS AFTER THE MAILING THEREOF, IT SHALL BE DEEMED IN DEFAULT AND AN ORDER AND/OR JUDGMENT MAY BE ENTERED AGAINST IT AS DEMANDED OR PRAYED FOR IN SUCH SUMMONS, COMPLAINT, PROCESS OR PAPERS. NOTHING IN THIS SECTION 4.17 SHALL AFFECT OR IMPAIR MORTGAGEE'S RIGHT TO SERVE LEGAL PROCESS IN ANY MANNER PERMITTED BY LAW OR MORTGAGEE'S RIGHT TO BRING ANY ACTION OR PROCEEDING AGAINST MORTGAGOR OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION.

4.18 Usury Savings Clause.

All agreements herein and in the Note or any of the other Loan Documents are expressly limited so that in no contingency or event whatsoever, whether by reason of disbursement of the proceeds hereof, acceleration or otherwise, shall the amount paid or agreed to be paid to Mortgagee hereof for the use, forbearance or detention of the money to be disbursed under the Note, this Mortgage or any of the other Loan Documents exceed the highest lawful rate permissible under applicable usury laws. If, from any circumstances whatsoever, fulfillment of any provision of the Note, this Mortgage or of the other Loan Documents at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then, *ipso facto*, the obligation to be fulfilled shall be reduced to the limit of such validity and if from any circumstance Mortgagee shall ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the principal amount of the Note and not to the payment of interest.

4.19 Mortgagor's Release.

Mortgagor hereby irrevocably releases, remises, acquits, and forever discharges Mortgagee and its parents, subsidiaries, affiliates, agents, officers, directors, shareholders, employees, attorneys and representatives, and their respective successors and/or assigns, of and from all rights, claims, demands, obligations, liabilities, causes of action, breaches, damages, costs and expenses of any kind or character whatsoever, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, whether heretofore or now existing, whether based on contract, tort, breach of any duty or any other legal or equitable theory of recovery, arising on or prior to the date hereof, including without limitation, any claims that in any way directly or indirectly arise out of, are connected with or relate to the Loan, the Note, the Mortgage or any of the other Loan Documents, the Premises, or the transactions contemplated by any of the foregoing. Notwithstanding the foregoing, Mortgagee is not released from any gross negligence or intentional misconduct on its part.

4.20 Limitation of Liability of Trustees.

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In accordance with the Declaration of Trust of Urban Growth Property Trust ("UGPT"), the sole general partner of Mortgagor, notice is hereby given that all persons dealing with UGPT shall look to the assets of UGPT for the enforcement of any claim against UGPT, as neither the trustees, officers, employees nor shareholders of UGPT assume any personal liability for obligations entered into by or on behalf of UGPT or Mortgagor.

4.21 Year 2000 Covenant.

The Undersigned has reviewed the areas within its business and operations which could be adversely affected by, and have developed or are developing a program to address on a timely basis, the "Year 2000 Problem" (that is, the risk that computer applications used by the Undersigned may be unable to recognize and perform properly date-sensitive functions involving certain dates prior to and any date after December 31, 1999), and has made related appropriate inquiry of material suppliers and vendors. Based on such review and program, the Undersigned believes that the Year 2000 Problem will not have a material adverse affect on the Undersigned. From time to time, at the request of the Bank, the Undersigned shall provide to the Bank such updated information or documentation as is requested regarding the status of their efforts to address the Year 2000 Problem.


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IN WITNESS WHEREOF, Mortgagor has executed this Mortgage at Chicago, Illinois, on the day and year first above written, pursuant to proper authority duly granted.

URBAN GROWTH PROPERTY LIMITED
PARTNERSHIP, a Delaware limited partnership

By: Urban Growth Property Trust, a Maryland
real estate investment trust, its general partner

By: 
Name: Michael J. Kassarian
Title: Vice President

::ODMA\PCDOCS\CHICAGO\335188\5 (335188.v5)

Property of Cook County Clerk's Office

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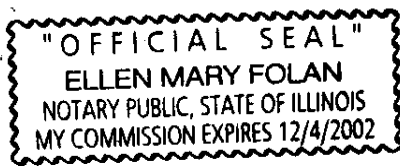
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Mortgagor Acknowledgment

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Michael Kassarjian, personally known to me to be the V.P., of Urban Growth Property Trust, a Maryland real estate investment trust, and the general partner of Urban Growth Property Limited Partnership, a Delaware limited partnership, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such manager he signed and delivered the said instrument pursuant to proper authority, as the free and voluntary act and deed of said attorney-in-fact for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 19th day of July, 1999.



Ellen Mary Folan
Notary Public
Ellen Mary Folan
Printed Name

My Commission expires:

12.4.2002

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EXHIBIT A - I

LEGAL DESCRIPTION

(155 Ontario)

PARCEL 1:

LOTS 2 AND 3 AND THE EAST 5 FEET OF LOT 4 IN OGDEN'S SUBDIVISION OF PART OF BLOCK 30 IN KINZIE'S ADDITION TO CHICAGO IN SECTION 10, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

ALL OF LOTS 1, 2 AND 3 IN SUBDIVISION OF LOT 1 IN OGDEN'S SUBDIVISION OF BLOCK 30 IN KINZIE'S ADDITION TO CHICAGO SECTION 10, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PINs: 17-10-118-002
17-10-118-003
17-10-118-004
17-10-118-005

Property Address: 155 East Ontario, Chicago, Illinois

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EXHIBIT A-2

LEGAL DESCRIPTION

(Tower Parking)

PARCEL 1:

LOT 2 (EXCEPT THE NORTH 77 FEET, 9 INCHES THEREOF), IN THE SUBDIVISION OF THE WEST 1/2 OF BLOCK 91 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 10, 1869 IN BOOK 168 OF PLATS, PAGE 190, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE NORTH 1/2 OF PRIVATE ALLEY LYING SOUTH OF AND ADJOINING PARCEL 1, AFORESAID, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOTS 3, 4, 5, 6, 7, 8 AND 9, INCLUSIVE, IN THE SUBDIVISION OF THE WEST 1/2 OF BLOCK 91 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THIS PLAT THEREOF RECORDED APRIL 10, 1869 IN BOOK 168 OF PLATS, PAGE 190, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

THAT PART OF THE SOUTH 1/2 OF THE PRIVATE ALLEY LYING SOUTH OF THE ADJOINING LOT 2 AND NORTH OF AND ADJOINING PARCEL 3, IN COOK COUNTY, ILLINOIS.

PINs: 17-16-228-003
17-16-228-004
17-16-228-005
17-16-228-005
17-16-228-016
17-16-228-017

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PROPERTY ADDRESS: 325-337 South Franklin, Chicago, Illinois