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

MORTGAGOR: 77 WEST WACKER LIMITED PARTNERSHIP

MORTGAGEE: WESTDEUTSCHE IMMOBILIENBANK

LOCATION: Address: c/o Prime Group Realty Trust
77 West Wacker Drive, Suite 3900
Chicago, Illinois 60601

Permanent Index Number:

- 17-09-421-006-0000, 17-09-421-007-0000, 17-09-421-008-0000,
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- 17-09-421-015-0000, 17-09-421-016-0000, 17-09-421-019-0000,
- 17-09-422-009-0000, 17-09-422-011-0000

This instrument is a Mortgage, Assignment of Leases and Rents, Security Agreement, Fixture Filing, and Financing Statement of both real and personal property, including fixtures. This instrument contains after-acquired provisions and secures obligations containing provisions for changes in interest rates, payment terms and other modifications in the terms of the obligations secured hereby.

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THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT, FIXTURE FILING AND FINANCING STATEMENT (as the same may from time to time be extended, renewed or modified, the "*Mortgage*"), made the 20th day of September, 1999, by 77 WEST WACKER LIMITED PARTNERSHIP, a limited partnership organized and existing under the laws of the State of Illinois, USA ("*Mortgagor*"), having its principal place of business at c/o Prime Group Realty Trust, 77 West Wacker Drive, Suite 3900, Chicago, Illinois 60601, to WESTDEUTSCHE IMMOBILIENBANK, having its principal place of business at Wilhelm Theodor Romheld Strasse 24, 55130 Mainz, Federal Republic of Germany, in its capacity as Agent under the Loan Agreement described below (including any of its successors and assigns in such capacity, herein referred to as "*Agent*" or "*Mortgagee*") for itself and other Lenders from time to time under said Loan Agreement.

WITNESSETH:

WHEREAS, Mortgagor, as Borrower, and Mortgagee as Agent and as Lender have entered into that certain Loan Agreement dated of even date herewith (said agreement, as it may be amended, modified or supplemented from time to time, being the "*Loan Agreement*"; capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement);

WHEREAS, pursuant to the Loan Agreement and subject to the terms and conditions therein set forth, Mortgagee has agreed to make a loan to Mortgagor in the original principal amount of ONE HUNDRED SEVENTY MILLION AND NO/100 DOLLARS (\$170,000,000.00);

WHEREAS, Mortgagee is the holder of that certain promissory note; (as it may be amended, modified or supplemented from time to time, the "*Note*") dated of even date herewith executed by Mortgagor in the original principal amount of up to ONE HUNDRED SEVENTY MILLION AND NO/100 DOLLARS (\$170,000,000.00);

WHEREAS, the total indebtedness and liabilities to be secured by this Mortgage are as follows (all such indebtedness and liabilities or the instruments evidencing same, as applicable, being herein collectively called the "*Debt*");

(A) the debt evidenced by the Note and all other obligations under the Loan Documents together with interest as therein provided;

(B) the full and prompt payment and performance of all of the provisions, agreements, covenants and obligations herein contained and contained in any other agreements, documents or instruments now or hereafter evidencing, securing or otherwise relating to the debt evidenced by the Note (the Note, this Mortgage, the Loan Agreement and such other agreements, documents and instruments, together with any and all renewals, amendments, extensions and modifications thereof, are hereinafter collectively

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referred to as the "*Loan Documents*") and the payment of all other sums herein or therein covenanted to be paid; and

(C) any and all additional advances made by Mortgagee to protect or preserve the Mortgaged Property or the lien or security interest created hereby on the Mortgaged Property, or for any other purpose provided herein or in the other Loan Documents (whether or not the original Mortgagor remains the owner of the Mortgaged Property at the time of such advances); and

WHEREAS, it has been agreed that the payment and performance of the Debt shall be secured by this Mortgage;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure the punctual payment by Mortgagor when due, whether at stated maturity, by acceleration or otherwise, of the Debt and the performance and observance of all other covenants, obligations and liabilities of Mortgagor under this Mortgage, as the same may be extended, modified or renewed or repledged, Mortgagor does hereby grant, bargain, sell, mortgage, warrant, convey, alien, remise, release, assign, transfer, set over, deliver, confirm and convey unto Mortgagee, its successors and assigns, upon the terms and conditions of this Mortgage, with right of entry as provided hereinbelow, and creates a security interest in, each and all of the real properties described in the Granting Clauses herein (which, together with all other property of Mortgagor located therein or described in the Granting Clauses herein, is hereinafter collectively called the "*Mortgaged Property*").

GRANTING CLAUSES

All of the estate, right, title and interest of Mortgagor in, under and to:

(1) All that certain real property situated in the County of Cook, State of Illinois, more particularly described in *Exhibit A* attached hereto (the "*Lana*"), together with all of the easements, rights and appurtenances now or hereafter in any way appertaining thereto, either at law or in equity, whether now owned or hereafter acquired by Mortgagor;

(2) All structures, buildings and improvements of every kind and description now or at any time hereafter located on the Land (the "*Improvements*");

(3) All easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, and other emblements now or hereafter located on the Land or under or above the same or any part thereof, the air space and right to use said air space above the Land and any transferable development or similar rights appurtenant thereto, and all estates,

rights, interests and appurtenances, reversions and remainders whatsoever, in any way belonging or appertaining to the Mortgaged Property or any part thereof, whether now owned or hereafter acquired by Mortgagor;

(4) All water, ditches, wells, reservoirs and drains and all water, ditch, well, reservoir and drainage rights which are appurtenant to, located on, under or above or used in connection with the Land or the Improvements, or any part thereof, whether now existing or hereafter created or acquired by Mortgagor;

(5) All minerals, crops, timber, trees, shrubs, flowers and landscaping features now or hereafter located on, under or above the Land;

(6) All building materials, supplies and equipment now or hereafter placed on the Land or in the Improvements;

(7) All furniture, furnishings, fixtures, goods, equipment, inventory or personal property owned by Mortgagor (but excluding all statues, paintings and other artwork) and now or hereafter located on, attached to or used in and about the Improvements, including, but not limited to, all machines, engines, boilers, dynamos, elevators, stokers, tanks, cabinets, awnings and all appliances, communication, plumbing, heating, air conditioning, lighting, ventilating, refrigerating, disposal and incinerating equipment, and sprinkler and fire and theft protection equipment, and all fixtures and appurtenances thereto, and such other goods and chattels and personal property owned by Mortgagor as are now or hereafter used or furnished in operating the Improvements, or the activities conducted therein, and all building materials and equipment owned by Mortgagor hereafter situated on or about the Land or Improvements, and all warranties and guaranties relating thereto, and all additions thereto and substitutions and replacements therefor (exclusive of any of the foregoing owned or leased by tenants of space in the Improvements except to the extent any of the same constitute fixtures) (collectively, the "Equipment"), and the items described in Granting Clauses 1-7 are herein collectively referred to as the "Premises";

(8) All the estate, right, title and interest of Mortgagor in all leases, subleases, lettings and licenses of, and all other contracts, bonds and agreements, whether written or oral, affecting the Premises, the Leasehold Premises or any part thereof now or hereafter entered into, assigned to, taken subject to or assumed by Mortgagor and all amendments, modifications, supplements, additions, extensions and renewals thereof (all of the foregoing hereinafter collectively referred to as "Leases"), and all right, title and interest of Mortgagor thereunder, including cash and securities deposited thereunder (as down payments, security deposits or otherwise to the extent permitted by law), the right to receive and collect the rents, additional rents, increases in rents, security deposits, advance rents, income, proceeds, earnings, royalties, revenues, issues, profits, rights, deposits, benefits and other payments due or to become due under, or otherwise derived from or relating to, the Leases or the use or occupancy of the

Premises (including without limitation (i) any claims based on holdover by any lessee, (ii) any claims under the Leases for damages sustained by Mortgagor, (iii) any fees or other amounts paid for the cancellation, surrender or early termination of a Lease, or (iv) any claims arising under any federal, state or other law as a result of or in connection with the bankruptcy or insolvency of any lessee) and the rights to collect and receive all of the foregoing and to enforce, whether at law or in equity or by any other means, all provisions thereof or thereunder and all rights of Mortgagor relating thereto (all of the foregoing hereinafter collectively referred to as the "*Rents*") and the right to apply the same to the payment, performance and observance of the Debt subject to and in accordance with the mortgage and the other Loan Documents;

(9) All contracts and agreements now or hereafter entered into covering any part of the Premises or the Leasehold Premises (collectively, the "*Contracts*") and all revenue, income and other benefits thereof, including, without limitation, the Management Agreement, any other management agreements, service contracts, maintenance contracts, equipment leases, personal property leases and any contracts or documents relating to construction on any part of the Premises or the Leasehold Premises (including all architectural renderings, models, specifications, plans, drawings, surveys, tests, reports, (a) bonds and governmental approvals) or to the management or operation of any part of the Premises or the Leasehold Premises;

(10) All water taps, sewer taps, certificates of occupancy, permits, licenses, franchises, certificates, consents, approvals and other rights and privileges now or hereafter obtained by Mortgagor in connection with the Premises and the Leasehold Premises and all present and future warranties and guaranties relating to the improvements or to any equipment, fixtures, furniture, furnishings, personal property or components of any of the foregoing now or hereafter located or installed on the Premises or the Leasehold Premises;

(11) All present and future instruments, accounts receivable, documents, claims, rights to receive property tax refunds or insurance refunds (subject to the rights of third parties, including but not limited to Seller and tenants at the Premises and the Leasehold Premises), contract rights, chattel paper, and books and records and general intangibles of Mortgagor relating to the Premises or the Leasehold Premises, and general intangibles of the Premises and the Leasehold Premises, including, without limitation, trademarks, trade names, service marks and symbols now or hereafter used in connection with any part of the Premises or the Leasehold Premises, all names exclusively used by which the Premises or the Leasehold Premises may be operated or known (but not "Donnelley"), all rights to carry on business under such names, and all rights, interest and privileges which Mortgagor has or may have as developer or declarant under any covenants, restrictions or declarations now or hereafter relating to the Premises or the Leasehold Premises, and all rights of the Premises or the Leasehold Premises now or hereafter existing in and to all security agreements, leases and other contracts securing or otherwise relating to such accounts, contract rights, chattel paper, instruments, deposit accounts, or general intangibles;

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(12) All insurance policies or binders now or hereafter relating to the Mortgaged Property, including any unearned premiums thereon;

(13) All cash funds, deposit accounts and other rights and evidence of rights to cash, now or hereafter created or held by or on behalf of Mortgagee pursuant to this Mortgage or any other of the Loan Documents, including, without limitation, all funds now or hereafter on deposit in the Cash Collateral Account (Central Account), if any, Cash Collateral Account (Tenant Reserve Allowance), if any, Cash Collateral Account (Insurance Reserve), if any, or Cash Collateral Account (Ratio Reserve), if any, and all notes or chattel paper now or hereafter arising from or by virtue of any transactions related to the Premises, the Leasehold Premises and/or the Loan, in each case, subject to the terms of the Loan Documents with respect thereto.

(14) All present and future monetary deposits given by Mortgagor to any public or private utility with respect to utility services furnished to any part of the Premises or the Leasehold Premises;

(15) All proceeds, products, substitutions and accessions (including claims and demands therefor) of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including, without limitation, proceeds of insurance and condemnation awards; and

(16) All other or greater rights and interests of every nature of Mortgagor in the Premises and the Leasehold Premises and in the possession or use thereof and income therefrom, whether now owned or hereafter acquired by Mortgagor.

To the extent that any portion of the foregoing Mortgaged Property is not deemed "real property" under applicable law, Mortgagor hereby grants to Mortgagee a security interest in all such items of Mortgaged Property, and Mortgagee shall have, in addition to all rights and remedies provided herein, and in any other agreements, commitments and undertakings made by Mortgagor to Mortgagee, all of the rights and remedies of a "secured party" under the Uniform Commercial Code ("UCC") of the State of Illinois. To the extent permitted under applicable law, this Mortgage shall be deemed to be a "security agreement" for purposes of the UCC.

TO HAVE AND TO HOLD the Mortgaged Property unto Mortgagee, its successors and assigns forever, and Mortgagor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND the title to the Mortgaged Property, subject only to the Permitted Encumbrances, to Mortgagee against every person whomsoever may claim the same or any part thereof;

PROVIDED, HOWEVER, that if the Debt shall have been paid in full then, in such case, the liens, security interests, estates and rights granted by this Mortgage shall be satisfied and

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the estate, right, title and interest of Mortgagee in the Mortgaged Property shall cease and become of no further force or effect, and upon payment to Mortgagee of all reasonable, out-of-pocket costs and expenses incurred for the preparation of the release instruments hereinafter referenced and all recording costs if allowed by law, Mortgagee shall promptly satisfy and release this Mortgage of record and the lien hereof by proper instrument.

AND Mortgagor represents and warrants as of the date hereof to and covenants and agrees with Mortgagee as follows:

SECTION 1. Payment of Debt and Incorporation of Covenants, Conditions and Agreements. Mortgagor will pay the Debt at the time and in the manner provided in the Note, the Loan Agreement and in this Mortgage. All the covenants, conditions and agreements contained in the Note and the other Loan Documents are hereby made a part of this Mortgage to the same extent and with the same force as if fully set forth herein.

SECTION 2. Warranty of Title. Mortgagor warrants that Mortgagor has good, marketable and insurable fee simple title to the Mortgaged Property which constitutes real property, subject to Permitted Encumbrances (as hereinafter defined) and has the full power, authority and right to execute, deliver and perform its obligations under this Mortgage and to encumber, mortgage, give, grant, bargain, sell, alienate, enfeoff, convey, confirm, warrant, pledge, assign and hypothecate the same and that Mortgagor possesses an unencumbered fee estate in the Land and the Improvements subject to Permitted Encumbrances and that it owns the Mortgaged Property free and clear of all liens, encumbrances and charges whatsoever except for those exceptions approved by Agent and shown in the Mortgage Insurance Policy insuring the lien of this Mortgage (such exceptions, together with any others hereafter created or being contested in accordance with the terms of the Loan Documents or otherwise expressly approved by Agent in writing, "*Permitted Encumbrances*") and that this Mortgage is and will remain a valid and enforceable first lien on and security interest in the Mortgaged Property, subject only to Permitted Encumbrances. Subject to Mortgagor's rights to contest as set forth in the Loan Agreement, if any, Mortgagor shall warrant, defend and preserve such title and the validity and priority of the lien of this Mortgage and shall warrant and defend the same to Mortgagee against the claims of all persons whomsoever, in each case, subject to Permitted Encumbrances. The warranties contained in this Section 2 are intended solely for the benefit of Mortgagee, and shall not inure to the benefit of any title insurer that (a) may insure the lien of this Mortgage or (b) has taken the lien of this Mortgage by assignment.

SECTION 3. Insurance. (a) Mortgagor, at its sole cost and expense, will keep the Mortgaged Property insured during the entire term of this Mortgage for the mutual benefit of Mortgagor and Mortgagee against loss or damage by fire, windstorm, earthquake, lightning, tornado, hail and against loss or damage by other risks and hazards covered by a standard extended coverage "all risk" insurance policy including, but not limited to, riot and civil

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commotion, vandalism, malicious mischief, burglary and theft. Such insurance shall be in an amount (i) equal to at least the then full replacement cost of the Improvements and Equipment exclusive of footings and foundations and subject to reasonable deductibles, but without deduction for physical depreciation, and (ii) such that the insurer would not deem Mortgagor a co-insurer under said policies. The determination of the replacement cost amount ("**Replacement Cost**") shall be adjusted annually to comply with the requirements of the insurer issuing such coverage or, at Mortgagee's election, by reference to such indices, appraisals or information as Mortgagee determines in its reasonable discretion in order to reflect any increased value due to inflation (as established by an MAI Appraisal). The premiums for the policies of insurance carried in accordance with this Section shall be paid not less than thirty (30) days before the lapse of any coverage and the policies shall contain the "**Replacement Cost Endorsement**" with a waiver of depreciation.

(b) Mortgagor, at its sole cost and expense, for the mutual benefit of Mortgagor and Mortgagee, shall also obtain and maintain during the entire term of this Mortgage the following policies of insurance:

(i) Flood insurance if any part of the Mortgaged Property is located in an area identified by the Federal Emergency Management Agency as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968 (and any amendment or successor act thereto) in an amount at least equal to the outstanding principal amount of the Note or the maximum limit of coverage available with respect to the Improvements and Equipment under said Act, whichever is less.

(ii) Comprehensive general liability insurance, including broad form property damage, blanket contractual and personal injuries (including death resulting therefrom) coverages and containing minimum limits per occurrence of \$40,000,000 for the Premises.

(iii) Boiler and machinery insurance (including explosion coverage), if steam boilers or other pressure-fired vessels are in operation at the Mortgaged Property. Minimum liability coverage per accident must equal the greater of the replacement cost (insurable value) of the portion of the Improvements housing such boiler or pressure-fired machinery or \$15,000,000. If one or more HVAC units is in operation at the Mortgaged Property, "Systems Breakdowns" coverage shall be required, as determined by Mortgagee. Minimum liability coverage per accident must equal the replacement value of such unit(s).

(iv) Business interruption insurance (including rental value if any of the Mortgaged Property is leased in whole or in part) in an annual aggregate amount equal to the estimated gross revenues from the operations of the Mortgaged Property, including, without limitation, the loss of all Rents and additional rents payable by all of the lessees

under the Leases (whether or not such Leases are terminable in the event of a fire or casualty). Such business interruption insurance to cover losses for a period of at least one year after the date of the fire or casualty in question. The amount of such business interruption insurance shall be adjusted from time to time during the term of this Mortgage as and when the gross revenues from the operations of the Mortgaged Property increase or decrease, including, without limitation, increases or decreases from new Leases and renewal Leases entered into in accordance with the terms of this Mortgage, to reflect all increased or decreased rent and increased or decreased additional rent payable by all of the Tenants under such renewal Leases and all rent and additional rent payable by all of the Tenants under such new Leases.

(v) Insurance against loss or damage from (x) leakage of sprinkler systems and (y) explosion of steam boilers, air conditioning equipment, high pressure piping, machinery and equipment, pressure vessels or similar apparatus now or hereafter installed in the Improvements.

(vi) Worker's compensation insurance with respect to any employees of Mortgagor, as required by any governmental authority or legal requirement.

(vii) Such other insurance as may from time to time be reasonably required by Agent and, provided the same is customarily required by "institutional lenders" with respect to Class "A" High Rise office properties similar to the Mortgaged Property in the City of Chicago Central Business District.

(c) All policies of insurance (the "Policies") required pursuant to this Section 3 (i) shall be issued by an insurer with an A.M. Best Company, Inc. policy holder rating of A or better and an A.M. Best Company, Inc. financial category of Class V or better, (ii) shall contain a standard noncontributory mortgagee clause naming Agent as the person to which all payments made by such insurance company shall be paid, (iii) shall be maintained throughout the term of this Mortgage without cost to Mortgagee, (iv) shall contain such provisions as Agent deems reasonably necessary or desirable to protect its interest provided the same is customarily required by "institutional lenders" with respect to Class "A" High Rise office properties similar to the Mortgaged Property in the City of Chicago Central Business District, and including without limitation, endorsements providing that neither Mortgagor, Mortgagee nor any other party shall be a co-insurer under said Policies and that Agent shall receive at least thirty (30) days prior written notice of any material modification, reduction or cancellation, and (v) shall be satisfactory in form and substance to Agent and shall be approved by Agent as to amounts, form, risk coverage, deductibles, loss payees and insureds. Mortgagor shall pay the premiums for such Policies (the "Insurance Premiums") as the same become due and payable. Certificates of Insurance evidencing said policies, certified as true and correct by Mortgagor, shall be delivered

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to Agent. Not later than thirty (30) days prior to the expiration date of each of the Policies, Mortgagor will deliver to Agent satisfactory evidence of the renewal of each Policy.

(d) If the Mortgaged Property shall be damaged or destroyed, in whole or in part the restoration of which is estimated by Mortgagor in good faith to cost more than \$1,000,000, by fire or other casualty, Mortgagor shall give prompt notice thereof to Agent.

(i) In case of loss covered by Policies, (A) after the occurrence and during the continuance of an Event of Default, Agent shall have the right to settle and adjust any claim without the consent of Mortgagor, or (B) except as provided in clause (A), and provided that such settlement or adjustment is carried out in a competent and timely manner, (1) Mortgagor shall have the right, without the consent of Agent, to agree with the insurance company or companies on the amount to be paid in respect of any loss aggregating \$15,000,000 or less, and (2) Mortgagor shall have the right, subject to approval by Agent (which approval shall not be unreasonably withheld, conditioned or delayed), to agree with the insurance company or companies on the amount to be paid in respect of any loss aggregating more than \$15,000,000. Provided that the insurance proceeds payable in respect of any losses are not more than \$15,000,000 (in the aggregate), Mortgagor shall and is hereby authorized to collect and receipt for any such insurance proceeds and any such check or checks for such insurance proceeds shall be made payable to Mortgagor. Any check or checks for insurance proceeds involving claims in excess of \$15,000,000 (in the aggregate) will be made payable to both Mortgagor and Agent. If any check or checks with respect to a claim in excess of \$15,000,000 are made payable to Mortgagor or Mortgagor and Agent, jointly, Mortgagor will endorse such check or checks to Agent immediately upon Agent presenting said check or checks to Mortgagor for endorsement or, if Mortgagor receives such check or checks first, Mortgagor will endorse same immediately upon receipt and forward it/them to Agent. The reasonable, actual, out-of-pocket expenses incurred by Agent in the adjustment and collection of insurance proceeds shall become part of the Debt and be secured hereby and shall be reimbursed by Mortgagor to Agent within ten (10) days after written demand.

(ii) In the event of any insured damage to or destruction of the Mortgaged Property or any part thereof (herein called an "*Insured Casualty*"), if, in the reasonable good faith judgment of Agent after review with Mortgagor, the Mortgaged Property can be restored prior to the expiration of any business interruption insurance (or if such business interruption insurance has expired, Mortgagor, within five (5) Business Days thereof, deposits cash in an interest bearing account which shall accrue interest for the benefit of Mortgagor with LaSalle National Bank, Chicago, Illinois (the "*Cash Collateral Account (Insurance Reserve)*") pledged to Agent pursuant to a cash collateral agreement substantially similar in form to the Cash Collateral Agreement (Tenant Allowance Reserve), an amount reasonably acceptable to Agent, to equal the amount that would be

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received as business interruption insurance) to an economic unit substantially equal in value (including an assessment of the impact of the termination of any Leases due to such Insured Casualty) and substantially equal in general utility than the same was prior to the Insured Casualty, then, if no Event of Default (as hereinafter defined) shall have occurred and be then continuing, the proceeds of insurance held by Agent shall be applied to reimburse Mortgagor for the cost of restoring, repairing, replacing or rebuilding the Mortgaged Property or part thereof subject to Insured Casualty, as provided for below; and Mortgagor hereby covenants and agrees forthwith to commence and diligently to prosecute such restoring, repairing, replacing or rebuilding; provided, always, that Mortgagor shall pay all costs (and if required by Agent, Mortgagor shall deposit in the Cash Collateral Account (Insurance Reserve) in advance the total thereof in excess of (y) \$15,000,000 of insurance proceeds paid to Mortgagor pursuant to clause (i) above and (z) the insurance proceeds paid to Agent pursuant to clause (i) above) of such restoring, repairing, replacing or rebuilding in excess of the net proceeds of insurance made available pursuant to the terms hereof.

(iii) Except as provided above, the proceeds of insurance collected upon any Insured Casualty shall, at the option of Agent in its sole discretion, be applied to the payment of the Debt or applied to reimburse Mortgagor for the cost of restoring, repairing, replacing or rebuilding the Mortgaged Property or part thereof subject to the Insured Casualty, in the manner set forth below. Any such application to the Debt shall require payment of the prepayment consideration provided in Section 2.9 of the Loan Agreement. In no case shall any such application reduce or postpone any payments otherwise required pursuant to the Note, other than the final payment on the Note.

(iv) In the event that proceeds of insurance, if any, shall be made available to Mortgagor for the restoring, repairing, replacing or rebuilding of the Mortgaged Property, Mortgagor hereby covenants to restore, repair, replace or rebuild the same to be of substantially equal value and of substantially the same utility as prior to such damage destruction, all to be effected in accordance with applicable law and plans and specifications approved in advance by Mortgagee which approval shall not be unreasonably withheld, conditioned or delayed.

(v) In the event Mortgagor is entitled to insurance proceeds held by Agent, such proceeds shall be disbursed from time to time upon Agent being furnished with (A) evidence satisfactory to it of the estimated cost of completion of the restoration, repair, replacement and rebuilding for such portion of the Mortgaged Property for which insurance proceeds are sequestered, (B) funds, or, at Agent's option, assurances satisfactory to Agent that such funds are available, sufficient in addition to the proceeds of insurance to complete the proposed restoration, repair, replacement and rebuilding of the Premises and/or the Leasehold Premises, as applicable, and (C) such architect's

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certificates, waivers of lien, contractor's sworn statements, title insurance endorsements, bonds, plats of survey and such other evidences of cost, payment and performance as Agent may reasonably require and approve; and Agent may, in any event, require that all plans and specifications for such restoration, repair, replacement and rebuilding be submitted to and approved by Agent prior to commencement of work (which approval shall not be unreasonably conditioned, withheld or delayed). No payment made prior to the final completion of the restoration, repair, replacement and rebuilding shall exceed ninety percent (90%) of the value of the work performed from time to time until a trade is complete (in which event full payment in respect of such trade shall be made upon receipt of a final lien waiver); funds other than proceeds of insurance shall be disbursed prior to disbursement of such proceeds; and at all times, the undisbursed balance of such proceeds remaining in the hands of Agent, together with funds deposited for that purpose or irrevocably committed to the satisfaction of Agent by or on behalf of Mortgagor for that purpose, shall be at least sufficient in the reasonable judgment of Agent to pay for the cost of completion of the restoration, repair, replacement or rebuilding, free and clear of all liens or claims for lien. Any surplus which may remain out of insurance proceeds held by Agent after payment of such costs of restoration, repair, replacement or rebuilding shall be paid to Mortgagor. All insurance proceeds and other funds held by Agent pursuant to this Section 3 shall be deposited into an interest-bearing account under a Cash Collateral Agreement substantially similar in form to the Cash Collateral Agreement (Tenant Allowance Reserve) and accrue interest for the benefit of Mortgagor.

(e) Mortgagor shall not carry separate insurance, concurrent in kind or form or contributing in the event of loss, with any insurance required under this Section 3, provided, however, that notwithstanding the foregoing, Mortgagor may carry insurance not required under this Mortgage, provided any such insurance affecting the Mortgaged Property shall be for the mutual benefit of Mortgagor and Mortgagee, as their respective interests may appear, and shall be subject to all other provisions of this Section 3.

(f) The insurance coverage required under Sections 3(a) and 3(b) hereof may be effected under a blanket policy or policies covering the Mortgaged Property and other property and assets not constituting a part of the Mortgaged Property; provided that any such blanket policy shall specify, except in the case of public liability insurance, the portion of the total coverage of such policy that is allocated to the Mortgaged Property, including, without limitation, the Equipment, which amounts shall not be less than the amounts required pursuant to Sections 3(a) and 3(b) hereof and which shall in any case comply in all other respects with the requirements of this Section 3.

SECTION 4. Payment of Taxes, Etc. Mortgagor shall pay or cause to be paid when due (a) all taxes, assessments, water rates and sewer rents, now or hereafter levied or assessed or imposed against the Mortgaged Property or any part thereof (the "Taxes") for which

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Mortgagor is the assessee, (b) all utility charges which are incurred by Mortgagor or which may become a charge or lien against any portion of the Mortgaged Property for gas, electricity, water and sewer services furnished to the Mortgaged Property, all other assessments or charges of a similar nature, or assessments payable pursuant to any restrictive covenants, whether public or private, affecting the Mortgaged Property or any portion thereof, whether or not such assessments or charges are or may become liens thereon and all ground rents, maintenance charges or other impositions or charges (the "Utility Charges"). and all ground rents, maintenance charges, other governmental impositions, and other charges, including without limitation vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Land, now or hereafter levied or assessed or imposed against the Mortgaged Property or any part thereof (the "Other Charges") as the same become due and payable. Mortgagor may, in good faith and at its own expense, diligently contest or appeal the foregoing Taxes, Utility Charges or Other Charges provided that such, Utility Charges contest or proceeding (i) is permitted by law, (ii) suspends a collection of the contested Taxes or Other Charges or Mortgagor pays all of the contested Taxes, Utility Charges or Other Charges under protest and (iii) does not subject the Mortgaged Property or the Mortgagee to any civil or criminal penalties. Such Taxes, Utility Charges or Other Charges will promptly be paid if at any time all or any part of the Mortgaged Property by reason of non payment under protest be in imminent danger of foreclosure or the filing of any lien. Mortgagor will deliver to Mortgagee upon request evidence satisfactory to Agent that the Taxes, Utility Charges and Other Charges have been so paid or are not then delinquent no later than thirty (30) days following the date on which the Taxes, Utility Charges and/or Other Charges would otherwise be delinquent if not paid. Mortgagor shall not suffer and shall promptly cause to be paid and discharged any lien or charge whatsoever which may be or become a lien or charge against the Mortgaged Property, and shall promptly pay for all utility services provided to the Mortgaged Property. Mortgagor shall furnish to Agent upon request receipts for the payment of the Taxes, Other Charges and said utility services no later than thirty (30) days after the date the same shall become delinquent.

SECTION 5. [Intentionally Omitted].

SECTION 6. Condemnation. (a) Mortgagor shall promptly give Agent written notice of the actual commencement of any condemnation or eminent domain proceeding (or any written threat thereof received by Mortgagor) and shall deliver to Agent copies of any and all papers served on or by Mortgagor in connection with such proceedings. Mortgagor, at its sole cost and expense, will have the authority to defend, settle or compromise any condemnation action or proceedings; provided, however, that Agent shall be entitled to appear in and join in the prosecution of any action or proceedings with respect to (i) any total condemnation and (ii) any partial condemnation if the reasonably anticipated amount of the award is more than \$5,000,000. Upon the occurrence of an Event of Default and the continuance thereof, Agent shall be entitled at its option, but not exclusively, to commence, appear in, and prosecute any action or proceeding with respect to any total or partial condemnation either in its own name or the name of the

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Mortgagor, for which Agent is hereby appointed as attorney in fact for Mortgagor, for which appointment, being for security and coupled with an interest, is irrevocable, and Agent shall be entitled to make any compromise or settlement in connection with any partial or total condemnation without the participation of Mortgagor. Notwithstanding any taking by any public or quasi-public authority through eminent domain or otherwise (including but not limited to any transfer made in lieu of or in anticipation of the exercise of such taking), Mortgagor shall continue to pay the Debt at the time and in the manner provided for its payment in the Note, in this Mortgage and the other Loan Documents and the Debt shall not be reduced until any award or payment therefor shall have been actually received after expenses of collection and applied by Agent to the discharge of the Debt. All such compensation, awards, damages, rights of action and proceeds awarded to Mortgagor (the "Proceeds") are hereby assigned to Agent and Mortgagor agrees to execute such further assignments of the proceeds as Agent may reasonably require. The Proceeds of the total condemnation shall be applied by Agent to repayment of the Debt, and shall require payment of the prepayment consideration provided in Section 2.9 of the Loan Agreement. Agent agrees that all Proceeds of a Partial Condemnation received by it shall be (y) deposited into an interest-bearing account under a Cash Collateral Agreement substantially similar in form to the Cash Collateral Agreement (Tenant Allowance Reserve) and accrue interest for the benefit of Mortgagor and (z) advanced by Agent to Mortgagor to be applied to restoring any damage and destruction to the Mortgaged Property provided that the following conditions are met:

(i) Mortgagor delivers to Agent evidence reasonably satisfactory to Agent that the Improvements can be restored to an economically and architecturally viable unit, substantially equal in value and general utility to the Mortgaged Property prior to the condemnation.

(ii) No Event of Default has occurred and is continuing.

For the purposes of this Section, a "Partial Condemnation" means a condemnation contemplated by this Section that, in Mortgagee's reasonable judgment, is less than twenty-five percent (25%) of the Improvements, calculated on the basis of the value of the Improvements, immediately prior to the occurrence of such condemnation.

If the above conditions are not met, Mortgagor shall apply any such Proceeds to the reduction or discharge of the Debt whether or not due and payable, such application shall be in accordance with the prepayment provisions contained in Section 2.9 of the Loan Agreement. If the conditions for payment of Proceeds to the Mortgagor are met, the repair, rebuilding, and/or restoration is completed in accordance with this Mortgage and there remains any excess Proceeds after such payment, Agent shall pay the excess (together with interest accrued, if any, on such proceeds) to Mortgagor.

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(b) If the Mortgaged Property is sold, through foreclosure or otherwise, prior to the receipt by Mortgagee of such award or payment, Agent shall have the right, whether or not a deficiency judgment on the Note shall have been sought, recovered or denied, to receive said award or payment, or a portion thereof sufficient to pay the Debt and apply same in accordance with the prepayment provisions contained in Section 2.9 of the Loan Agreement. In no case shall any such application reduce or postpone any payments otherwise required pursuant to the Note, other than the final payment of the Note.

SECTION 7. Leases and Rents. (a) Mortgagor does hereby absolutely and unconditionally assign to Mortgagee, Mortgagor's right, title and interest in all current and future Leases and Rents, it being intended by Mortgagor that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Such assignment to Mortgagee shall not be construed to bind Mortgagee to the performance of any of the covenants, conditions or provisions contained in any such Lease or otherwise impose any obligation upon Mortgagee. Mortgagor agrees to execute and deliver to Mortgagee such additional instruments, in form and substance satisfactory to Mortgagee, as may hereafter be reasonably requested by Mortgagee to further evidence and confirm such assignment. Nevertheless, subject to the terms of this Section 7, Mortgagee grants to Mortgagor a revocable license to operate and manage the Mortgaged Property and to collect the Rents. Mortgagor shall hold the Rents, or a portion thereof sufficient to discharge all current sums due on the Debt, in trust for the benefit of Mortgagee for use in the payment of such sums. Upon the occurrence and during the continuance of an Event of Default, the license granted to Mortgagor herein shall automatically be revoked, and Agent shall immediately be entitled to possession of all Rents, whether or not Agent enters upon or takes control of the Mortgaged Property. Following the occurrence and continuation of an Event of Default, Agent is hereby granted and assigned by Mortgagor the right, at its option, upon revocation of the license granted herein, to enter upon the Mortgaged Property in person, by agent or by court-appointed receiver to collect the Rents. Any Rents collected after the revocation of the license may be applied toward payment of the Debt in such priority and proportions as Agent in its discretion shall deem proper.

(b) Mortgagor may enter into new Leases and may amend, renew or extend existing Leases without Agent's prior consent, provided, however, that (i) all conditions in the Loan Documents with respect thereto are satisfied, and (ii) no Event of Default has occurred and is continuing at the time the new Lease, amendment, renewal or extension is executed. If the preceding conditions are not satisfied with respect to a new Lease or any amendment or renewal or extension of an existing Lease, Mortgagor may not enter into such Lease, amendment, renewal or extension, as the case may be, without the consent of Agent (which consent shall not be unreasonably withheld, conditioned, or delayed), except that consent may be deemed given as provided in the Loan Agreement. For greater certainty, upon the occurrence and during the continuance of an Event of Default, Agent may revoke Mortgagor's privilege to enter into new Leases and to amend, renew and extend leases until the Event of Default has been removed.

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(c) All Leases shall provide that they are subordinate to this Mortgage and that the applicable Tenant agrees to attorn to Mortgagee. None of the Leases contain or shall contain any option to purchase and/or, any right of first refusal to purchase any part of the Mortgaged Property or any other similar provisions which adversely affect the Mortgaged Property or which may adversely affect the rights of any holder of the Loan without the prior written consent of Agent, which consent shall not be unreasonably withheld, conditioned or delayed. Each Tenant shall conduct business only in that portion of the Mortgaged Property covered by its Lease. Upon request, Mortgagor shall furnish Agent with executed copies of all Leases. All future Leases shall provide that the use of the leased Mortgaged Property shall be in compliance with law and shall not constitute a nuisance and shall not adversely affect the reputation, value of business operations of the Mortgaged Property. Mortgagee agrees upon request to execute and deliver to Mortgagor and each existing or future tenant any subordination, non-disturbance and attornment agreement executed by any such tenant.

(d) Mortgagor (i) shall observe and perform all the obligations imposed upon the lessor under the Leases and shall not do or permit to be done anything to materially impair the value of the Leases as security for the Debt; (ii) shall within ten (10) days of receipt thereof give copies to Agent of all notices of material default which Mortgagor shall send or receive under any Lease; (iii) shall enforce all of the material terms, covenants and conditions contained in the Lease upon the part of the lessee thereunder to be observed or performed, short of termination thereof; (iv) shall not collect any of the Rents more than one (1) month in advance; (v) shall not execute any other assignment of lessor's interest in the Leases or Rents; (vi) shall not, except if a lessee is in default, cancel or terminate any Leases which demises more than five percent (5%) of the then total rentable square footage of the Improvements or accept a surrender thereof; provided, however, that any Lease may be canceled (1) if, at the time of the cancellation thereof, a new lease is entered into which Mortgagor has determined in Mortgagor's reasonable business judgment is more economically advantageous to the Mortgaged Property than the Lease which is to be canceled or terminated or (2) with the prior written consent of Agent, which consent shall not be unreasonably withheld, conditioned or delayed; (vii) shall not convey or transfer or suffer or permit a conveyance or transfer of the Mortgaged Property or of any interest therein so as to effect a merger of the estates and rights of, or a termination or diminution of the obligations of, lessees thereunder; (viii) shall not alter, modify or change the terms of any guaranty of Leases demising in excess of 30,000 square feet or cancel or terminate such guaranty without the prior written consent of Agent; provided, however, that any guaranty may be cancelled in connection with a cancellation of the underlying Lease pursuant to (vi), except where such Lease is cancelled by reason of a tenant's default thereunder, in which event such guaranty shall not be cancelled unless part of a final settlement with such tenant, acceptable to Mortgagor in its reasonable business judgment; and (ix) shall execute and deliver at the request of Agent all such further assurances, confirmations and assignments in connection with the Mortgaged Property as Agent shall from time to time reasonably require.

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(e) All security deposits of lessees, whether held in cash or any other form, if cash, shall be deposited by Mortgagor at such commercial or savings bank or banks as may be reasonably satisfactory to Agent. Any bond or other instrument which Mortgagor is permitted to hold in lieu of cash security deposits under any applicable lease requirements shall be maintained in full force and effect unless replaced by cash deposits as hereinabove described. Mortgagor shall, upon request, provide Agent with evidence reasonably satisfactory to Agent of Mortgagor's compliance with the foregoing. Following the occurrence and during the continuance of any Event of Default, Mortgagor shall, upon Agent's request, if permitted by any applicable lease requirements, turn over to Agent the security deposits (and any interest theretofore earned thereon to which tenants are entitled under the terms of their Leases) with respect to all or any portion of the Mortgaged Property, to be held by Agent subject to the terms of the Leases.

(f) Mortgagor hereby represents, warrants, covenants and agrees that:

(i) The Air Rights Lease is now a valid and subsisting lease, and the Air Rights Lease is in full force and effect in accordance with the terms thereof and have not been modified except as herein set forth; and all of the rental, additional rental and other charges due and payable under the Air Rights Lease prior to the execution hereof have been paid, and no default of Mortgagor or, to the best knowledge of Mortgagor after due inquiring, the lessor exists and remains uncured under the Air Rights Lease after notice thereof and the expiration of any applicable grace period thereunder.

(ii) Mortgagor will: (A) pay when due and payable the rentals, additional rentals and other charges mentioned in and payable under the Air Rights Lease; (B) perform and observe in all material respects all of the terms, covenants and conditions required to be performed and observed by Mortgagor as lessee under the Air Rights Lease; and (C) do all things necessary to preserve and to keep unimpaired its rights under the Air Rights Lease.

(iii) Mortgagor will promptly cause a copy of any notice of default or termination under the Air Rights Lease to be delivered to Mortgagee.

(iv) Mortgagor will promptly notify Mortgagee of any request made by any party to the Air Rights Lease for arbitration and of the institution of any arbitration proceedings, and will promptly deliver to Mortgagee a copy of the determination of the arbitrators in each such proceeding.

(v) Mortgagor will not, without the prior consent of Mortgagee: (A) terminate, cancel, modify or supplement (in a manner materially adverse to Mortgagor) or surrender, or suffer or permit any termination, cancellation, modification or supplementation (in a manner materially adverse to Mortgagor) or surrender of, the Air Rights Lease; (B) fail

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or refuse to take timely and appropriate action to renew the Air Rights Lease; (C) consent or refuse to consent to any action taken or to be taken by the lessor or anyone else under the Air Rights Lease, the result of which would diminish or materially impair the security of this Mortgage; (D) further encumber the Leasehold Premises; or (E) subordinate or consent to the subordination of the Air Rights Lease to any mortgage on the lessor's interest in the premises demised by the Air Rights Lease except as required by the terms of the Air Rights Lease.

(vi) If any Mortgagor shall not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against Mortgagor seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it) that is being diligently contested by it in good faith, either such proceeding shall remain undismissed or unstayed for a period of thirty (30) days or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or any substantial part of its property) shall occur; or Mortgagor shall take any corporate action to authorize any of the actions set forth above, Mortgagor covenants that (A) it shall not reject or disaffirm the Air Rights Lease without the prior consent of Mortgagee, and (B) at the direction of Mortgagee it shall, in a timely fashion, (1) take all actions (including curing all existing defaults and providing assurance of future performance) as may be required to permit Mortgagor to assume the Air Rights Lease and (z) assume the Air Rights Lease.

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SECTION 8. Representations Concerning Loan. Mortgagor represents as of the date hereof and warrants to the best of its knowledge and covenants as follows:

(a) The Note, this Mortgage and the other Loan Documents are not subject to any right of rescission, set-off, counterclaim or defense, including the defense of usury, nor would the operation of any of the terms of the Note, this Mortgage and the other Loan Documents, or the exercise of any right thereunder, render this Mortgage unenforceable, in whole or in part, or subject to any right of rescission, set-off, counterclaim or defense, including the defense of usury;

(b) All material certifications, permits, licenses and approvals, including, without limitation, certificates of completion and occupancy permits required for the legal use, occupancy and operation of the Mortgaged Property as an office building, have been

obtained and are in full force and effect. The Mortgaged Property is free of material damage and is in good repair, and there is no proceeding pending for the total or partial condemnation of, or affecting, the Mortgaged Property;

(c) Subject to the state of facts shown on the survey delivered to Agent, all of the Improvements which were included in determining the appraised value of the Mortgaged Property lie wholly within the boundaries and building restriction lines of the Mortgaged Property, and no improvements on adjoining properties encroach upon the Mortgaged Property, and no easements or other encumbrances upon the Land encroach upon any of the Improvements, in each case, so as to materially and adversely affect the value or marketability of the Mortgaged Property, except those which are insured against by title insurance. All of the Improvements comply with all material requirements of any applicable zoning and subdivision laws and ordinances;

(d) The Mortgaged Property is not subject to any Leases other than the Leases described in the Rent Roll delivered to Agent in connection with this Mortgage. No person has any possessory interest in the Mortgaged Property or right to occupy the same except under and pursuant to the provisions of the Leases;

(e) The survey of the Mortgaged Property delivered to Agent in connection with this Mortgage, has been performed by a duly licensed surveyor or registered professional engineer in the jurisdiction in which the Mortgaged Property is situated, and does not fail to reflect any material matter adversely affecting the Mortgaged Property or the title thereto;

(f) The financial statements of Mortgagor, if any, heretofore furnished to the Agent are, as of the dates specified therein, complete and correct and fairly present the financial condition of Mortgagor in all material respects, and are prepared in accordance with generally accepted accounting principles consistently applied ("GAAP"). Mortgagor does not have on the date hereof any contingent liabilities, liabilities for taxes, unusual forward or long term commitments or unrealized or anticipated losses from any unfavorable commitments which in each case are known to Mortgagor and which, in Mortgagor's opinion, are reasonably likely to result in a material adverse effect on the Mortgaged Property, except as referred to or reflected or provided for in said balance sheets as at said dates. Since the last date of such financial statements, there has been no material adverse change in the financial condition, operations or business of Mortgagor from that set forth in said financial statements as at said date;

(g) Neither the execution and delivery of the Loan Documents, the Mortgagor's performance thereunder, the recordation of this Mortgage, nor the exercise of any remedies by the Agent, will materially adversely affect the licenses, registrations, permits,

certificates, authorizations and approvals necessary for the operation of the Mortgaged Property; and

(h) Except as disclosed in the Estoppel Letters delivered to Agent in connection with the Mortgage, the current Leases are in full force and effect and there are no uncured defaults thereunder by either party and there are no conditions which with the passage of time and/or notice would constitute defaults thereunder.

SECTION 9. Single Purpose Entity/Separateness. Mortgagor represents, warrants and covenants as follows:

(a) Mortgagor does not own and will not own any encumbered asset or property other than (i) the Mortgaged Property, and (ii) incidental personal property necessary for the ownership, operation, repair, maintenance, management or development of the Mortgaged Property as expressly permitted under the Loan Documents.

(b) Mortgagor will not engage in any business other than the ownership, management and operation of the Mortgaged Property and Mortgagor will conduct and operate its business as presently conducted and operated.

(c) Except as expressly provided in Section 4.2(m) of the Loan Agreement, Borrower shall not enter into any agreement to borrow funds from any party without the prior approval of Agent.

(d) Except as expressly provided in Section 4.2(n) of the Loan Agreement, Mortgagor has not made and will not make any loans or advances to any third party (including any constituent party or any affiliate of Mortgagor, or any constituent party thereof).

(e) Mortgagor is and will remain solvent and Mortgagor will pay its debts from its assets as the same shall become due, subject to the ability to contest certain claims as set forth in the Loan Documents (including, without limitation, Section 21 hereof).

(f) Mortgagor has done or caused to be done and will do all things necessary, to preserve its existence, and Mortgagor will not, nor will Mortgagor permit any constituent party to amend, modify or otherwise change the partnership certificate, partnership agreement, articles of incorporation and bylaws, trust or other organizational documents of Mortgagor or such constituent party in a manner which would materially adversely affect the Mortgagor's existence as a single purpose entity.

(g) Mortgagor will maintain books and records and bank accounts separate from those of its affiliates and any constituent party.

(h) Mortgagor will be, and at all times will hold itself out to the public as, a legal entity separate and distinct from any other entity (including any affiliate of Mortgagor, any constituent party or any affiliate of any constituent party).

(i) Mortgagor or any constituent party will not seek the dissolution or winding up, in whole or in part, of Mortgagor.

(j) Mortgagor will not commingle the funds and other assets of Mortgagor with those of any constituent party thereof, any affiliate, or any constituent party, or any other person.

(k) Mortgagor has and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any constituent party or any affiliate of any constituent party, or any other person.

(l) Mortgagor does not and will not hold itself out to be responsible for the debts or obligations of any other person.

SECTION 10. Maintenance of Mortgaged Property. Mortgagor shall cause the Mortgaged Property to be maintained in a good condition and repair, consistent with the standard currently in place. Mortgagor will not threaten, commit, permit, or suffer any waste to occur on or to the Mortgaged Property or any part thereof or structurally alter any of the Improvements, except and to the extent:

(i) necessary to prepare space for the occupancy of a part of the Mortgaged Property by a tenant in a manner that does not materially adversely affect the value of the Mortgaged Property,

(ii) as may be necessary to comply with applicable laws or the requirements or directions of any insurance rating organization or board of fire underwriters,

(iii) that the same will not have a material adverse effect on the value of the Mortgaged Property, or

(iv) as otherwise approved by Agent, which approval shall not be unreasonably conditioned, withheld or delayed,

Mortgagor shall promptly comply with all laws, orders and ordinances affecting the Mortgaged Property, or the use thereof, where failure to so comply would have a material adverse effect. Mortgagor shall, except to the extent that Agent has applied the proceeds to the debt of the Loan, promptly repair, replace or rebuild any part of the Mortgaged Property that is destroyed by any casualty, or become damaged, worn or dilapidated or that is affected by any proceeding of the character referred to in Section 6 hereof, in each case where the failure to do so would have a material adverse effect, and Mortgagor shall complete and pay for any structure at any time in the process of construction or repair on the Mortgaged Property. Without Agent's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed), Mortgagor shall not initiate, join in, acquiesce in, or consent to any change in any private restrictive covenant, zoning law or other public or private restriction, limiting or defining the uses which may be made of the Mortgaged Property or any part thereof which would have a material adverse effect on the value of the Mortgaged Property. Mortgagor shall not, without Agent's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed), (i) change the use of more than five percent (5%) the Mortgaged Property or (ii) take any steps whatsoever to convert the Mortgaged Property, or any portion thereof, to a condominium or cooperative form of management.

SECTION 11. Transfer or Encumbrance of the Mortgaged Property.

(a) Mortgagor acknowledges that Agent has examined and relied on the creditworthiness and experience of Mortgagor in owning and operating properties such as the Mortgaged Property in agreeing to make the loan secured hereby, and that Mortgagee will continue to rely on Mortgagor's ownership of the Mortgaged Property as a means of maintaining the value of the Mortgaged Property as security for repayment of the Debt. Mortgagor acknowledges that Mortgagee has a valid interest in maintaining the value of the Mortgaged Property so as to ensure that, should Mortgagor default in the repayment of the Debt, Agent can recover the Debt by a sale of the Mortgaged Property. Except as set forth in the Loan Agreement, Mortgagor shall not, without the prior written consent of Agent, sell, convey, alienate, mortgage, encumber, pledge or otherwise transfer the Mortgaged Property or any part thereof, or permit the Mortgaged Property or any part thereof to be sold, conveyed, alienated, mortgaged, encumbered, pledged or otherwise transferred except as expressly permitted under the Loan Documents and except as permitted pursuant to the JV Agreement.

(b) A sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer within the meaning of this Section 11 shall be deemed to include (i) an installment sales agreement wherein Mortgagor agrees to sell the Mortgaged Property or any part thereof for a price to be paid in installments; (ii) an agreement by Mortgagor leasing all or a substantial part of the Mortgaged Property for other than actual occupancy by a space lessee thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, Mortgagor's right, title and interest in and to any Leases or any Rents except as expressly permitted under the Loan Agreement; (iii) if Mortgagor or any general partner of Mortgagor is a corporation, the voluntary or involuntary sale,

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conveyance or transfer of such corporation's stock (or the stock of any corporation directly or indirectly controlling such corporation by operation of law or otherwise) or the creation or issuance of new stock in one or a series of transactions except as expressly permitted under the Loan Agreement; and (iv) if Mortgagor or any general partner of Mortgagor is a limited or general partnership or joint venture, the change, removal or resignation of a general partner, managing partner or joint venturer or the transfer of the partnership interest of any general partner, managing partner or joint venturer except as expressly permitted under the Loan Agreement.

(c) Subject to Section 8.12 of the Loan Agreement, Agent may predicate its decision to grant or withhold consent hereunder on Agent's satisfaction, in its sole and absolute discretion, with all relevant factors which shall include, but not be limited to, the creditworthiness of the proposed transferee and such proposed transferee's management experience, and upon the execution of an assumption agreement in form and substance acceptable to Agent, the payment of an assumption fee equal to \$350,000 ("*Assumption Fee*") and the payment of all costs and expenses incurred by Mortgagee in connection with the assumption including reasonable attorneys' fees and disbursements; provided, however, that no Assumption Fee shall be due in respect of Borrower's transfer of the Mortgaged Property to a Permitted Transferee pursuant to the JV Agreement. Agent shall not be required to demonstrate any actual impairment of its security or any increased risk of default hereunder in order to declare the Debt immediately due and payable upon Mortgagor's sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Mortgaged Property without Agent's consent or otherwise permitted under the Loan Documents. This provision shall apply to every sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Mortgaged Property regardless of whether voluntary or not, or whether or not Agent has consented to any previous sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Mortgaged Property.

(d) [Intentionally Omitted].

(e) Agent's consent to one sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Mortgaged Property shall not be deemed to be a waiver of Agent's right to require such consent to any future occurrence of same. Any sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Mortgaged Property made in contravention of this Section shall be null and void and of no force and effect.

(f) Mortgagor agrees to bear and shall pay or reimburse Agent on demand for all reasonable, actual, out-of-pocket expenses (including, without limitation, reasonable attorneys' fees and disbursements, title search costs and title insurance endorsement premiums) incurred by Agent in connection with the review, approval and documentation of any such sale, conveyance, alienation, release, mortgage, encumbrance, pledge or transfer.

SECTION 12. Estoppel Certificates and No Default Affidavits. (a) After request by any party, the other party shall within ten (10) days furnish the requesting party with a statement, duly acknowledged and certified as of the date of such certificate, setting forth (i) the amount of the original principal amount of the Note, (ii) the unpaid principal amount of the Note, (iii) the rate of interest of the Note, (iv) the date installments of interest and/or principal were last paid, (v) any offsets or defenses to the payment of the Debt, if any, and (vi) that the Note, this Mortgage and the other Loan Documents are valid, legal and binding obligations and have not been modified or if modified, giving particulars of such modification. No party shall request a statement from the other party pursuant to the preceding sentence more frequently than quarterly in any calendar year, unless required by Agent in connection with a participation under the Loan Agreement.

(b) Mortgagor shall use commercially reasonable efforts to deliver to Agent upon request, lessee estoppel certificates from each commercial lessee at the Mortgaged Property in form and substance reasonably satisfactory to Agent, provided that Mortgagor shall not be required to deliver such certificates more frequently than once every year (unless the same are requested in connection with a participation under the Loan Agreement, in which case Mortgagor shall not be required to deliver such certificates more frequently than two (2) times in any calendar year).

SECTION 13. Changes in the Law Regarding Taxation. If any law is enacted or adopted or amended after the date of this Mortgage which deducts the Debt from the value of the Mortgaged Property for the purpose of taxation or which imposes a tax, either directly or indirectly, on the Debt or Mortgagee's interest in the Mortgaged Property, Mortgagor will pay such tax, with interest and penalties thereon, if any. In the event Mortgagee is advised by counsel chosen by it that the payment of such tax or interest and penalties by Mortgagor either directly or by the Mortgagee would be unlawful or taxable to Mortgagee or unenforceable or provide the basis for a defense of usury, then in any such event, Agent shall have the option, by written notice of not less than sixty (60) days (or such longer period of time, not to exceed one hundred eighty (180) days, as may be reasonably required for Mortgagor to refinance the Loan), to declare the Debt due and payable, in which event the provisions of Section 2.9 of the Loan Agreement shall be applicable. The provisions of this Section 13 shall not apply to (i) any income, gross receipts, franchise, inheritance, gift or similar tax assessed against, or imposed on, Mortgagor, or (ii) any taxes levied or assessed in connection with a Lender's transfer of all or any part of its interest in the Loan, except this Section 13 shall apply to any imposition of withholding taxes as set forth in Section 2.10 of the Loan Agreement.

SECTION 14. No Credits on Account of the Debt. Mortgagor will not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the Taxes or Other Charges assessed against the Mortgaged Property, or any part thereof, and no deduction shall otherwise be made or claimed from the assessed value of the Mortgaged Property, or any

part thereof, for real estate tax purposes by reason of this Mortgage or the Debt. In the event such claim, credit or deduction shall be required by law, Agent shall have the option, by written notice of not less than sixty (60) days (or such longer period of time, not to exceed one hundred eighty (180) days, as may be reasonably required for Mortgagor to refinance the Loan), to declare the Debt due and payable, in which event the provisions of Section 2.9 of the Loan Agreement shall be applicable.

SECTION 15. Documentary Stamps and Other Taxes. If at any time the United States of America, any State thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to the Note or this Mortgage, or impose any other tax or charge on the same, Mortgagor will pay for the same, with interest and penalties thereon, if any. The covenants contained in this Section 15 are intended solely for the benefit of Mortgagee, and shall not inure to the benefit of any title insurer that (a) may insure the lien of this Mortgage or (b) has taken the lien of this Mortgage by assignment. Additionally, if Mortgagor shall pay any mortgage recording tax with respect to this Mortgage, Mortgagor shall be subrogated to Mortgagee's rights against such title insurer with respect to payment of such mortgage recording tax.

SECTION 16. Controlling Agreement. It is expressly stipulated and agreed to be the intent of Mortgagor and Mortgagee at all times to comply with applicable state law or applicable United States federal law (to the extent that it permits Mortgagee to contract for, charge, take, reserve, or receive a greater amount of interest than under state law) and that this Section 16 shall control every other covenant and agreement in this Mortgage and the other Loan Documents. If the applicable law (state or federal) is ever judicially interpreted so as to render usurious any amount called for under the Note or under any of the other Loan Documents, or contracted for, charged, taken, reserved, or received with respect to the Debt, or if Agent's exercise of the option to accelerate the maturity of the Note, or if any prepayment by Mortgagor results in Mortgagor having paid any interest in excess of that permitted by applicable law, then it is Mortgagor's and Mortgagee's express intent that all excess amounts theretofore collected by Agent shall be credited on the principal balance of the Note and all other Debt (or, if the Note and all other Debt have been or would thereby be paid in full, refunded to Mortgagor), and the provisions of the Note and the other Loan Documents immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new documents, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder or thereunder. All sums paid or agreed to be paid to Agent for the use, forbearance, or detention of the Debt shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Debt until payment in full so that the rate or amount of interest on account of the Debt does not exceed the maximum lawful rate from time to time in effect and applicable to the Debt for so long as the Debt is outstanding.

SECTION 17. Books and Records: Reporting Requirements. Mortgagor shall keep accurate books and records of account of the Mortgaged Property and its own financial affairs sufficient to permit the preparation of financial statements therefrom in accordance with generally accepted accounting principles. Mortgagee and its duly authorized representatives shall have the right, at its cost, to examine, copy and audit Mortgagor's records and books of account during reasonable business hours, upon reasonable notice. So long as this Mortgage continues in effect, Mortgagor shall provide to Agent all financial statements required pursuant to the Loan Agreement.

SECTION 18. Performance of Other Agreements. Mortgagor shall observe and perform each and every material term to be observed or performed by Mortgagor pursuant to the terms of any agreement or recorded instrument with Mortgagee affecting or pertaining to the Mortgaged Property.

SECTION 19. Further Acts, Etc. Mortgagor will, at the cost of Mortgagor but only so long as same does not otherwise increase Mortgagor's duties, obligations or liabilities or adversely affect Mortgagor's rights and remedies under the Loan Documents, and without expense to Mortgagee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignment, Uniform Commercial Code financing statements or continuation statements, transfers and assurances as Agent shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Agent the property and rights hereby mortgaged, given, granted, bargained, sold, alienated, enfeoffed, conveyed, confined, pledged, assigned and hypothecated or intended now or hereafter so to be, or which Mortgagor may be or may hereafter become bound to convey or assign to Agent, or for carrying out the intention or facilitating the performance of the terms of this Mortgage or for filing, registering or recording this Mortgage except that Mortgagor is not obligated to pay costs incurred with Agent's sale of participations in the Loan. Mortgagor, on demand, will execute and deliver and hereby authorizes Agent to execute in the name of Mortgagor or without the signature of Mortgagor to the extent Agent may lawfully do so, one or more financing statements, chattel mortgages or other instruments, to evidence more effectively the security interest of Mortgagee in the Mortgaged Property. Mortgagor grants to Agent an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Mortgagee at law and in equity following an Event of Default, including without limitation, such rights and remedies available to Mortgagee pursuant to this Section 19.

SECTION 20. Recording of Mortgage, Etc. Mortgagor forthwith upon the execution and delivery of this Mortgage will cause this Mortgage, and any security instrument creating a lien or security interest or evidencing the lien hereof upon the Mortgaged Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to

protect the lien or security interest hereof upon, and the interest of Mortgagee in, the Mortgaged Property. Mortgagor will pay all filing, registration or recording fees, and all actual, out-of-pocket expenses incident to the preparation, execution and acknowledgment of this Mortgage, any mortgage supplemental hereto, any security instrument with respect to the Mortgaged Property and any instrument of further assurance, and all federal, state, county and municipal, taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage, any mortgage supplemental hereto, any security instrument with respect to the Mortgaged Property or any instrument of further assurance, except where prohibited by law so to do. Mortgagor shall hold harmless and indemnify Mortgagee, its successors and assigns, against any actual liability incurred by reason of the imposition of any tax on the making and recording of this Mortgage. The covenants contained in this Section 20 are intended solely for the benefit of Mortgagee and shall not inure to the benefit of any title insurer that (a) may insure the lien of this Mortgage or (b) has taken the lien of this Mortgage by assignment.

SECTION 21. Extraordinary Reporting Requirements. Mortgagor agrees to give prompt notice to Agent of the insolvency or bankruptcy filing of Mortgagor.

SECTION 22. Events of Default. The term "*Event of Default*" as used herein shall mean the occurrence and thereafter, the continuation, at any time and from time to time, of any one or more of the following which shall include by definition the expiration of any period of grace or right to cure provided therein, provided there has been satisfied any requirement in connection therewith for the giving of notice, lapse of time, or happening of any further condition, event or act:

- (a) any Event of Default set forth in Section 5.1 of the Loan Agreement;
- (b) subject to Mortgagor's right to contest as provided in the Loan Documents, if any of the Taxes, Utility Charges or Other Charges are not paid when the same are due and payable after Agent delivers notice thereof to Mortgagor;
- (c) if the Policies are not kept in full force and effect as provided in the Loan Documents, or if certificates evidencing the Policies are not delivered to Agent as provided in the Loan Documents upon request and Mortgagor fails to so pay such amounts within five (5) Business Days after such notice;
- (d) if Mortgagor transfers or encumbers any portion of the Mortgaged Property in a manner other than that permitted by the Loan Documents;
- (e) if Mortgagor shall make a general assignment for the benefit of creditors or if Mortgagor shall generally not be paying its debts as they become due;

(f) if a receiver, liquidator or trustee of Mortgagor shall be appointed or if Mortgagor shall be adjudicated as bankrupt or insolvent, or if any petition for bankruptcy, reorganization or arrangement pursuant to federal bankruptcy law, or any similar federal or state law, shall be filed by or against, consented to, or acquiesced in by, Mortgagor or if any proceeding for the dissolution or liquidation of Mortgagor shall be instituted; however, if such appointment, adjudication, petition or proceeding was involuntary and not consented to by Mortgagor, upon the same not being discharged, stayed or dismissed within sixty (60) days;

(g) if Mortgagor shall be in default beyond any applicable notice, grace or cure period under any other mortgage or security agreement covering any material part of the Mortgaged Property whether it be superior or junior in lien to this Mortgage;

(h) subject to Mortgagor's right to contest as provided in the Loan Documents, if the Mortgaged Property becomes subject to any mechanic's, materialman's or other lien except a lien for local real estate taxes and assessments not then due and payable and such lien is not removed within thirty (30) days after Agent delivers notice thereof to Mortgagor;

(i) subject to Mortgagor's right to contest as provided in the Loan Documents, if Mortgagor fails to cure properly any violations of laws or ordinances affecting the Mortgaged Property, and such violations were not cured within thirty (30) days after Agent delivers notice thereof to Mortgagor or, if such violation is not susceptible of cure within thirty (30) days, such longer period as may be reasonably required to cure the violation in question);

(j) except as permitted in the Loan Documents or under the terms of any Lease, the alteration, improvement, demolition or removal of any of the Improvements by or at the direction of Mortgagor in a manner that materially adversely affects the value thereof without the prior consent of Agent; and

(k) material damage to the Mortgaged Property in any manner which is not covered by insurance solely as a result of Mortgagor's failure to maintain insurance required in accordance with the Loan Documents.

SECTION 23. Intentionally left blank.

SECTION 24. Right to Cure Defaults. Upon the occurrence and during the continuance of any Event of Default, Agent may, but without any obligation to do so and without notice to or demand on Mortgagor and without releasing Mortgagor from any obligation hereunder, make any payment or do any act as herein provided in such manner and to such extent

as Agent may deem necessary to protect the security hereof. Mortgagee is authorized to enter upon the Mortgaged Property for such purposes or appear in, defend, or bring any action or proceeding to protect its interest in the Mortgaged Property or to foreclose this Mortgage or collect the Debt, and the cost and expense thereof (including reasonable attorneys' fees and disbursements to the extent permitted by law), with interest at the Default Rate (as defined in the Loan Agreement) for the period after notice from Agent that such cost or expense was incurred to the date of payment to Agent, shall constitute a portion of the Debt, shall be secured by this Mortgage and the other Loan Documents and shall be due and payable to Agent upon demand.

SECTION 25. Remedies. (a) Upon the occurrence and during the continuance of any Event of Default, Agent may take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Mortgagor in and to the Mortgaged Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Agent may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Mortgagee:

(i) declare the entire Debt to be immediately due and payable, except that the entire Debt shall automatically become immediately due and payable upon the occurrence of an Event of Default under Sections 22(e) and (f);

(ii) institute a proceeding or proceedings, judicial or nonjudicial, by advertisement or otherwise, for the complete foreclosure of this Mortgage in which case the Mortgaged Property or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;

(iii) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Mortgage for the portion of the Debt then due and payable, subject to the continuing lien of this Mortgage for the balance of the Debt not then due;

(iv) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the other Loan Documents or in the Note;

(v) recover judgment on the Note either before, during or after any proceedings for the enforcement of this Mortgage;

(vi) apply for the appointment of a trustee, receiver, liquidator or conservator of the Mortgaged Property, without notice and without regard for the adequacy of the security for the Debt and without regard for the solvency of Mortgagor or of any person, firm or other entity liable for the payment of the Debt;

(vii) enforce Mortgagee's interest in the Leases and Rents and enter into or upon the Mortgaged Property, either personally or by its agents, nominees or attorneys and dispossess Mortgagor and its agents and servants therefrom, and thereupon Agent may in good faith (A) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Mortgaged Property and conduct the business thereat; (B) complete any construction on the Mortgaged Property in such manner and form as Agent deems advisable; (C) make alterations, additions, renewals, replacements and improvements to or on the Mortgaged Property; (D) exercise all rights and powers of Mortgagor with respect to the Mortgaged Property, whether in the name of Mortgagor or otherwise, including, without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict lessees, and demand, sue for, collect and receive all earnings, revenues, rents, issues profits and other income of the Mortgaged Property and every part thereof; and (E) apply the receipts from the Mortgaged Property to the payment of the Debt, after deducting therefrom actual, out-of-pocket expenses (including reasonable attorneys' fees and disbursements) incurred in connection with the aforesaid operations and all amounts necessary to pay the taxes, assessments, insurance and other charges in connection with the Mortgaged Property, as well as just and reasonable compensation for the services of Agent, its counsel, agents and employees; and

(viii) pursue such other rights and remedies as may be available at law or in equity or under the Uniform Commercial Code including the right to establish a lock box for all Rents and other receivables of Mortgagor relating to the Mortgaged Property.

In the event of a sale, by foreclosure or otherwise, of less than all of the Mortgaged Property, this Mortgage shall continue as a lien on the remaining portion of the Mortgaged Property.

(b) The proceeds of any sale made under or by virtue of this Section, together with any other sums which then may be held by Agent under this Mortgage, whether under the provisions of this Section or otherwise, shall be applied by Agent to the payment of the Debt in such priority and proportion as Agent in its discretion shall deem proper.

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

(d) Upon the completion of any sale or sales pursuant hereto, Agent or an officer of any court empowered to do so, shall execute and deliver to the accepted purchaser or purchasers a good and sufficient instrument, or good and sufficient instruments, conveying, assigning and transferring all estate, right, title and interest in and to the property and rights sold.

Agent is hereby irrevocably appointed the true and lawful attorney of Mortgagor, in its name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Mortgaged Property and rights so sold and for that purpose Agent may execute all necessary instruments of conveyance, assignment and transfer, and may substitute one or more persons with like power, Mortgagor hereby ratifying and confirming all that its said attorney or such substitute or substitutes shall lawfully do by virtue hereof. Any sale or sales made under or by virtue of this Section, shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Mortgagor in and to the properties and rights so sold, and shall be a perpetual bar both at law and in equity against Mortgagor and against any and all persons claiming or who may claim the same, or any part thereof from, through or under Mortgagor.

(e) Upon any sale made under or by virtue of this Section, Agent may bid for and acquire the Mortgaged Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the Debt the net sales price after deducting therefrom the expenses of the sale and costs of the action and any other sums which Agent is authorized to deduct under this Mortgage.

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

(g) Agent may terminate or rescind any proceeding or other action brought in connection with its exercise of the remedies provided in this Section at any time before the conclusion thereof, as determined in Agent's sole discretion and without prejudice to Mortgagee.

(h) Mortgagee may resort to any remedies and the security given by the Note, this Mortgage or the other Loan Documents in whole or in part, and in such portions and in such order as determined by Agent's sole discretion. No such action shall in any way be considered a waiver of any rights, benefits or remedies evidenced or provided by the Note, this Mortgage or the other Loan Documents. The failure of Agent to exercise any right, remedy or option provided in the Note, this Mortgage or the other Loan Documents shall not be deemed a waiver of such right, remedy or option or of any covenant or obligation secured by the Note, this Mortgage or the other Loan Documents. No acceptance by Agent of any payment after the occurrence of any Event of Default and no payment by Agent of any obligation for which Mortgagor is liable hereunder shall be deemed to waive or cure any Event of Default with respect to Mortgagor, or Mortgagor's liability to pay such obligation. No sale of all or any portion of the Mortgaged Property, no forbearance on the part of Agent, and no extension of time for the payment of the whole or any portion of the Debt or any other indulgence given by Agent to Mortgagor, shall operate to release or in any manner affect the interest of Mortgagee in the remaining Mortgaged

Property or the liability of Mortgagor to pay the Debt. No waiver by Agent shall be effective unless it is in writing and then only to the extent specifically stated.

(i) The interests and rights of Mortgagee under the Note, this Mortgage or the other Loan Documents shall not be impaired by any indulgence, including (A) any renewal, extension or modification which Mortgagee may grant with respect to any of the Debt, (B) any surrender, compromise, release, renewal, extension, exchange or substitution which Mortgagee may grant with respect to the Mortgaged Property or any portion thereof; or (C) any release or indulgence granted to any maker, endorser, or surety of any of the Debt.

SECTION 25.1 Application of Proceeds. To the fullest extent permitted by law, the proceeds that Agent shall receive with respect to the exercise of any of its remedies shall be applied, to the extent funds are so available, to the following items in such order as Agent in its discretion may determine:

(a) To payment of reasonable, actual, out-of-pocket costs, expenses and fees of taking possession of the Mortgaged Property, and of holding, operating, maintaining, using, leasing, repairing, improving, marketing and selling, in good faith, the same and of otherwise enforcing Agent's rights and remedies hereunder and under the other Loan Documents, including, but not limited to, receivers' fees, court costs, attorneys', accountants', appraisers', managers' and other professional fees, title charges and transfer taxes.

(b) To payment of all sums expended by Agent under the terms of any of the Loan Documents and not yet repaid, together with interest on such sums at the Default Rate.

(c) To payment of the Debt and all other Debt secured by this Mortgage, including, without limitation, interest at the Default Rate and, to the extent permitted by applicable law, any prepayment fee, charge or premium required to be paid under the Loan Documents in order to prepay principal, in any order that Agent chooses in its sole discretion.

(d) The remainder, if any, of such funds shall be disbursed to Mortgagor or to the person or persons legally entitled thereto.

SECTION 25.2. Occupancy After Foreclosure. In the event there is a foreclosure sale hereunder and at the time of such sale, Mortgagor or Mortgagor's Affiliates, representatives, successors or assigns, are occupying or using the Mortgaged Property, or any part thereof, then, to the extent not prohibited by applicable law, each and all shall, at the option of Agent or the purchaser at such sale, as the case may be, immediately become the tenant of the purchaser at such

sale, which tenancy shall be a tenancy from day-to-day, terminable at the will of either landlord or tenant, at a reasonable rental per day based upon the higher of either (i) the rate provided in the applicable lease then in effect with Mortgagor or, if none exists, then (ii) the fair market rental value of the Mortgaged Property occupied or used. Further, to the extent permitted by applicable law, in the event the tenant fails to surrender possession of the Mortgaged Property upon the termination of such tenancy, the purchaser shall be entitled to institute and maintain an action for unlawful detainer of the Mortgaged Property in the appropriate court of the county in which the Mortgaged Property is located.

SECTION 25.3. Notice to Account Debtors. Agent may, at any time after an Event of Default, notify the account debtors and obligors of any accounts, chattel paper, negotiable instruments or other evidences of indebtedness to Mortgagor included in the Mortgaged Property to pay Mortgagee directly. Mortgagor shall at any time or from time to time upon the request of Agent provide to Agent a current list of all such account debtors and obligors and their addresses.

SECTION 25.4 Cumulative Remedies. All remedies contained in this Mortgage are cumulative and Agent shall also have all other remedies provided at law and in equity or in any other Loan Documents. Such remedies may be pursued separately, successively or concurrently at the sole subjective direction of Agent and may be exercised in any order and as often as occasion therefor shall arise.

SECTION 25.5. Mortgagor's Waivers. To the full extent permitted by law, Mortgagor agrees that Mortgagor shall not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisalment, valuation, stay, moratorium or extension, or any law now or hereafter in force providing for the reinstatement of the Debt prior to any sale of the Mortgaged Property to be made pursuant to any provisions contained herein or prior to the entering of any decree, judgment or order of any court of competent jurisdiction, or any right under any statute to redeem all or any part of the Mortgaged Property so sold. Mortgagor, for Mortgagor and Mortgagor's successors and assigns, and for any and all persons ever claiming any interest in the Mortgaged Property, to the full extent permitted by law, hereby knowingly, intentionally and voluntarily, with and upon the advice of competent counsel: (a) waives, releases, relinquishes and forever forgoes all rights of valuation, appraisalment, stay of execution, reinstatement and notice of election or intention to mature or declare due the Debt (except such notices as are specifically provided for herein or which are required under applicable law); (b) waives, releases, relinquishes and forever forgoes all right to a marshaling of the assets of Mortgagor, including the Mortgaged Property, to a sale in the inverse order of alienation, or to direct the order in which any of the Mortgaged Property shall be sold in the event of foreclosure of the liens and security interests hereby created and agrees that any court having jurisdiction to foreclose such liens and security interests may order the Mortgaged Property sold as an entirety; (c) waives, releases, relinquishes and forever forgoes all rights and periods of redemption provided under applicable law; and (d) if permitted by law, all right to

reinstatement of the indebtedness secured hereby (including, but not limited to, any right to reserve any acceleration of such indebtedness pursuant to 735 I.L.C.S. 5/15-1602, as same may be amended from time to time). To the full extent permitted by law, Mortgagor shall not have or assert any right under any statute or rule of law pertaining to the exemption of homestead or other exemption under any federal, state or local law now or hereafter in effect, the administration of estates of decedents or other matters whatever to defeat, reduce or affect the right of Agent under the terms of this Mortgage to a sale of the Mortgaged Property, for the collection of the Debt without any prior or different resort for collection, or the right of Agent under the terms of this Mortgage to the payment of the Debt out of the proceeds of sale of the Mortgaged Property in preference to every other claimant whatever. Furthermore, Mortgagor hereby knowingly, intentionally and voluntarily, with and upon the advice of competent counsel, waives, releases, relinquishes and forever forgoes all present and future statutes of limitations as a defense to any action to enforce the provisions of this Mortgage or to collect any of the Debt to the fullest extent permitted by law. Mortgagor covenants and agrees that upon the commencement of a voluntary or involuntary bankruptcy proceeding by or against Mortgagor, Mortgagor shall not seek a supplemental stay or otherwise shall not seek pursuant to 11 U.S.C. §105 or any other provision of Title 11 of the United States Code, as amended, or any other debtor relief law (whether statutory, common law, case law, or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable, to stay, interdict, condition, reduce or inhibit the ability of Agent to enforce any rights of Agent against any guarantor or Agent of the Debt or any other party liable with respect thereto by virtue of any indemnity, guaranty or otherwise.

SECTION 26. Right of Entry. Agent shall have the right to enter and inspect, at its cost, the Mortgaged Property during normal business hours upon reasonable notice, provided, however, that all such visits and inspections shall be scheduled so as to cause minimal disruption to the business and operation of the Mortgagor, the Leasehold Premises and Premises. The Agent hereby acknowledges and agrees that all such rights to visit and inspect are subject to any and all limitations and/or restrictions of tenants or other occupants now or hereafter in the Leasehold Premises or Premises, as applicable.

SECTION 27. Reasonable Use and Occupancy. If any portion of the Premises or the Leasehold Premises is occupied by Mortgagor (other than pursuant to the terms of a Lease that has been executed and delivered in accordance with the terms of the Loan Documents) in addition to the rights which Mortgagee may have herein, upon the occurrence and during the continuance of any Event of Default, Agent, at its option, may require Mortgagor to pay monthly in advance to Agent, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Mortgaged Property so long as occupied by Mortgagor or may require Mortgagor to vacate and surrender possession of the Mortgaged Property to Agent or to such receiver and, in default thereof, Mortgagor may be evicted by summary proceedings or otherwise.

SECTION 28. Security Agreement. This Mortgage is both a real property mortgage and a "security agreement" within the meaning of the Uniform Commercial Code. The Mortgaged Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Mortgagor in the Mortgaged Property. Mortgagor, by executing and delivering this Mortgage, has granted and hereby grants to Mortgagee, as security for the Debt, a security interest in the Mortgaged Property to the full extent that the Mortgaged Property may be subject to the Uniform Commercial Code (said portion of the Mortgaged Property so subject to the Uniform Commercial Code being called in this Section the "Collateral"). Mortgagor hereby agrees with Mortgagee to execute and deliver to Mortgagee, in form and substance reasonably satisfactory to Mortgagee, such financing statements and such further assurances as Mortgagee may from time to time, reasonably consider necessary to create, perfect, and preserve Mortgagee's security interest herein granted. This Mortgage shall also constitute a "fixture filing" for the purposes of the Uniform Commercial Code. Information concerning the security interest herein granted may be obtained from the parties at the addresses of the parties set forth in the first paragraph of this Mortgage. If an Event of Default shall occur, Mortgagee, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Agent may deem necessary for the care, protection and preservation of the Collateral. Upon request or demand of Agent, Mortgagor shall, at its expense, assemble the Collateral and make it available to Agent at a convenient place acceptable to Agent. Mortgagor shall pay to Agent on demand any and all actual, out-of-pocket expenses, including reasonable attorneys' fees and disbursements, incurred or paid by Agent in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral. Any notice of sale, disposition or other intended action by Agent with respect to the Collateral sent to Mortgagor in accordance with the provisions hereof at least thirty (30) days prior to such action, shall constitute commercially reasonable notice to Mortgagor. The proceeds of any disposition of the Collateral, or any part thereof, may be applied by Agent to the payment of the Debt in such priority and proportions as Agent in its discretion shall deem proper. Mortgagor warrants that its principal place of business is Chicago, Illinois, and that Mortgagor has no other place of business. In the event of any change in name, identity or structure of any Mortgagor, such Mortgagor shall notify Agent thereof and promptly after request shall execute, file and record such Uniform Commercial Code forms as are necessary to maintain the priority of Mortgagee's lien upon and security interest in the Collateral, and shall pay all expenses and fees in connection with the filing and recording thereof. If Agent shall require the filing or recording of additional Uniform Commercial Code forms or continuation statements, Mortgagor shall, within ten (10) days after request, execute, file and record such Uniform Commercial Code forms or continuation statements as Agent shall deem reasonably necessary, and shall pay all expenses and fees in connection with the filing and recording thereof, it being understood and agreed, however, that no such additional documents shall increase Mortgagor's obligations under the Note, this Mortgage and the other Loan

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Documents or decrease Mortgagor's rights or remedies under the Loan Documents. Mortgagor hereby irrevocably appoints Agent as its attorney-in-fact, coupled with an interest, to file with the appropriate public office on its behalf any financial or other statements signed only by Agent, as secured party, in connection with the Collateral covered by this Mortgage if such statement is not executed and submitted by Mortgagor within the time period allotted under the Loan Documents.

SECTION 29. Actions and Proceedings. Agent has the right to appear in and defend any action or proceeding brought with respect to the Mortgaged Property and to bring any action or proceeding, in the name and on behalf of Mortgagor, which Agent, in its discretion, decides should be brought to protect their interest in the Mortgaged Property if (a) in such case the Agent is a named party, unless said action or proceeding is covered by insurance or (b) at any time upon the occurrence and during the continuance of an Event of Default. Mortgagee shall, at its option, be subrogated to the lien of any mortgage or other security instrument discharged in whole or in part by the Debt, and any such subrogation rights shall constitute additional security for the payment of the Debt.

SECTION 30. Waiver of Setoff and Counterclaim. All amounts due under this Mortgage, the Note and the other Loan Documents shall be payable without setoff, counterclaim or any deduction whatsoever.

SECTION 31. Contest of Certain Claims. Excepting Taxes and Other Charges as set forth in Section 4, Mortgagor shall not be in default for failure to pay or discharge any mechanics' or materialman's lien asserted against the Mortgaged Property if, and so long as, (a) Mortgagor shall have notified Agent of same within fifteen (15) days of obtaining knowledge thereof; (b) Mortgagor shall diligently and in good faith contest the same by appropriate legal proceedings which shall operate to prevent the enforcement or collection of the same and the sale of the Mortgaged Property or any part thereof, to satisfy the same; (c) if requested by Mortgagee, Mortgagor shall have furnished to Mortgagee a title endorsement, a cash deposit, or an indemnity bond or other assurances reasonably satisfactory to Agent, in the amount of the mechanic's or materialman's lien claim, plus a reasonable additional sum to pay all costs, interest and penalties that may be imposed or incurred in connection therewith, to assure payment of the matters under contest and to prevent any sale or forfeiture of the Mortgaged Property or any part thereof; (d) Mortgagor shall promptly, upon final determination thereof, pay the amount of any such claim so determined, together with all costs, interest and penalties which may be payable in connection therewith; (e) the failure to pay the mechanics' or materialman's lien claim does not constitute a default under any other deed of trust, mortgage or security interest covering or affecting any part of the Mortgaged Property; and (f) notwithstanding the foregoing, Mortgagor shall immediately upon request of Agent pay or cause to be discharged or bonded against (and if Mortgagor shall fail so to do, Agent may, but shall not be required to, pay or cause to be discharged or bonded against) any such claim notwithstanding such contest, if in the reasonable opinion of Agent, the Mortgaged

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Property or any part thereof or interest therein is about to be sold, forfeited, foreclosed, terminated, canceled or lost.

SECTION 32. Recovery of Sums Required to Be Paid. Agent shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Debt as the same become due, without regard to whether or not the balance of the Debt shall be due, and without prejudice to the right of Agent thereafter to bring an action of foreclosure, or any other action, for a default or defaults by Mortgagor existing at the time such earlier action was commenced.

SECTION 33. Marshaling and Other Matters. Mortgagor hereby waives, to the extent permitted by law, the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshaling in the event of any sale hereunder of the Mortgaged Property or any part thereof or any interest therein. Further, Mortgagor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on behalf of Mortgagor, and on behalf of each and every person acquiring any interest in or title to the Mortgaged Property subsequent to the date of this Mortgage and on behalf of all persons to the extent permitted by applicable law.

SECTION 34. Hazardous Materials. Mortgagor hereby represents and warrants to Mortgagee that as of the date hereof, to the best of Mortgagor's knowledge and except for matters disclosed in the Environmental Report: (a) the Mortgaged Property is not in material violation of any Environmental Laws; (b) the Mortgaged Property is not subject to any private or governmental lien or judicial or administrative notice or action relating to any Hazardous Material; (c) no Hazardous Materials are or have been, prior to Mortgagor's acquisition of the Mortgaged Property, discharged, generated, treated, disposed of or stored on, incorporated in, or removed or transported from the Mortgaged Property otherwise than in compliance with all applicable Environmental Laws; and (d) no underground storage tanks exist on any of the Mortgaged Property. So long as Mortgagor owns or is in possession of the Mortgaged Property, (a) Mortgagor shall keep or cause the Mortgaged Property to be kept free from Hazardous Materials other than the use or storage thereof in material compliance with all applicable Environmental Laws, (b) Mortgagor shall promptly notify Mortgagee if Mortgagor shall become aware of any Hazardous Materials on the Mortgaged Property other than in use and storage in material compliance with all applicable Environmental Laws, (c) if Mortgagor shall become aware that the Mortgaged Property is in material violation of or materially liable under any Environmental Laws, Mortgagor shall remove such Hazardous Materials and/or cure such violations, as applicable, as promptly as reasonably practicable and in any event as required by law, after Mortgagor becomes aware of same, at Mortgagor's sole expense. Nothing herein shall prevent Mortgagor from contesting any requirement to remove Hazardous Materials or to comply with Environmental Laws diligently and in good faith, or from recovering such expenses from any other party that may be liable for such removal or cure. Upon Mortgagee's request and subject to the rights of tenants,

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while this Mortgage is in effect for reasonable cause or after the occurrence and during the continuation of an Event of Default, Mortgagor shall provide at Mortgagor's sole expense, an inspection or audit of the Mortgaged Property prepared by a licensed hydrogeologist or licensed environmental engineer approved by Mortgagee indicating the presence or absence of Hazardous Materials on the Mortgaged Property, provided that "reasonable cause" shall mean that there is a reasonable good faith belief that there is a violation of, or liability pursuant to, applicable Environmental Law. If Mortgagor fails to provide such inspection or audit within forty-five (45) days after such request, Mortgagee may order same, and Mortgagor hereby grants to Mortgagee and its employees and agents access to the Mortgaged Property and a license to undertake such inspection or audit and subject to the rights of tenants. The cost of such inspection or audit shall be added to the principal balance of the sums due under the Note and this Mortgage and shall bear interest thereafter until paid at the Default Rate. The obligations and liabilities of Mortgagor under this Section shall survive any termination, satisfaction, or assignment of this Mortgage and the exercise by Mortgagee of any of its rights or remedies hereunder, including, but not limited to, the acquisition of the Mortgaged Property by foreclosure or a conveyance in lieu of foreclosure.

SECTION 35. Asbestos. Mortgagor represents and warrants that, as of the date hereof, to the best of Mortgagor's knowledge, and except for matters disclosed in the Environmental Report, no Asbestos is located on the Mortgaged Property in violation of Environmental Law. Mortgagor shall not install in the Mortgaged Property, nor permit to be installed in the Mortgaged Property, Asbestos and shall remove or otherwise remediate any Asbestos if, and as required by Environmental Law, promptly upon discovery to the satisfaction of Mortgagee, at Mortgagor's sole expense.

SECTION 36. Environmental Monitoring. Mortgagor shall give prompt written notices to Mortgagee of: (a) all claims made by any third party against Mortgagor or the Mortgaged Property relating to any loss, injury, violation or liability resulting from any Hazardous Material, and (b) Mortgagor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Mortgaged Property that is reasonably likely to cause the Mortgaged Property to be subject to any investigation or cleanup pursuant to any Environmental Law. Mortgagor shall permit Mortgagee to join and participate in, as a party if it so elects, any legal proceedings or actions initiated with respect to the Mortgaged Property in connection with any Environmental Law or Hazardous Material, and Mortgagor shall pay all reasonable attorneys' fees and disbursements incurred by Mortgagee in connection therewith. In the event that any investigation, site monitoring, containment, cleanup, removal, restoration, or other work of any kind is reasonably necessary under an applicable Environmental Law (the "*Remedial Work*"), subject to the right of Mortgagor to contest any such requirements in good faith and by proper proceedings, Mortgagor shall commence and thereafter diligently prosecute to completion all such Remedial Work within thirty (30) days after written demand by Mortgagee for performance thereof (or such shorter period of time as may be required under applicable law or such longer

time as may be reasonably required). Remedial Work performed under the direction of and in compliance with a schedule approved by any Governmental Authority asserting jurisdiction shall be considered timely. All Remedial Work shall be performed by contractors approved in advance by Mortgagee, and under the supervision of a consulting engineer reasonably approved by Mortgagee, which approval shall not be unreasonably conditioned, withheld or delayed. All costs and expenses of such Remedial Work shall be paid by Mortgagor including, without limitation, Mortgagee's reasonable attorneys' fees and disbursements and costs incurred in connection with monitoring or review of such Remedial Work. In the event Mortgagor shall fail to timely commence, or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Mortgagee may, but shall not be required to, cause such Remedial Work to be performed, and all costs and expenses thereof, or incurred in connection therewith, shall become part of the Debt.

SECTION 37. Handicapped Access. (a) Mortgagor agrees that the Mortgaged Property shall at all times comply in all material respects to the extent applicable with the requirements of the Americans with Disabilities Act of 1990, all state and local laws and ordinances related to handicapped access and all rules, regulations, and orders issued pursuant thereto including, without limitation, the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities (collectively, "Access Laws").

(b) Mortgagor agrees to give prompt notice to Mortgagee of the receipt by Mortgagor of the commencement of any proceedings or investigations which relate to the Mortgaged Property's compliance with applicable Access Laws.

SECTION 38. Indemnification. The provisions of Section 5.5 of the Loan Agreement all incorporated herein by reference.

SECTION 39. Further Documentation. Mortgagor shall, on the request of Agent and at the expense of Mortgagor: (a) promptly correct any defect, error or omission which may be discovered in the contents of this Mortgage or in the contents of any of the other Loan Documents; (b) promptly execute, acknowledge, deliver and record or file such further instruments (including, without limitation, further mortgages, security deeds, security agreements, financing statements, continuation statements and assignments of rents or leases) and promptly do such further acts as may be necessary, desirable or proper to carry out more effectively the purposes of this Mortgage and the other Loan Documents and to subject to the liens and security interests hereof and thereof any property intended by the terms hereof and thereof to be covered hereby and thereby, including specifically, but without limitation, any renewals, additions, substitutions, replacements or appurtenances to the Mortgaged Property; and (c) promptly execute, acknowledge, deliver, procure and record or file any document or instrument (including specifically, without limitation, any financing statement) deemed reasonably advisable by Mortgagee to protect, continue or perfect the liens or the security interests hereunder against the

rights or interests of third persons provided that same do not materially increase Mortgagor's obligations, duties or liabilities under the Loan Documents or materially decrease Mortgagor's rights and remedies thereunder.

SECTION 40. Notice. Any communication, demand or notice to be given hereunder or with respect to this Mortgage or any of the Loan Documents shall be duly given when delivered in writing via courier, personally delivered by a materially recognized overnight courier with proof of delivery certified or by registered mail and confirmed in writing via courier to a party at its address as indicated below and when actually received. A communication, demand or notice given pursuant to this Section 40 shall be addressed to the parties as set forth below:

If to Mortgagor:

77 WEST WACKER DRIVE LIMITED PARTNERSHIP
c/o Prime Group Realty, Trust
77 West Wacker Drive, Suite 3900
Chicago, Illinois 60601
Attention: Louis C. Conforti and
Jeffrey A. Patterson

and:

c/o Prime Group Realty Trust
77 West Wacker Drive, Suite 3900
Chicago, Illinois 60601
Attention: General Counsel

with a copy to:

Winston & Strawn
35 West Wacker Drive
Chicago, Illinois 60601
Attention: William J. Ralph, Esq. and
Wayne Bolding

If to Agent:

WESTDEUTSCHE IMMOBILIENBANK
Wilhelm-Theodor-Roemheld - Strasse 24
55130 Mainz
Federal Republic of Germany

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Attention: Dr. Jurgen Gerber or
Mr. Armin Gemmerich

with a copy to:

Shearman & Sterling
599 Lexington Avenue
New York, New York 10022
Attention: Robert W. Fagiola, Esq.

or at such other address at which the parties shall notify each other in accordance with the terms of this Section 40.

SECTION 41. Authority. (a) Mortgagor (and the undersigned representative of Mortgagor, if any) represents and warrants that it has full power, authority and right to execute, deliver and perform its obligations pursuant to this Mortgage, and to mortgage, give, grant, bargain, sell, alienate, enfeoff, convey, confirm, warrant, pledge, hypothecate and assign the Mortgaged Property pursuant to the terms hereof and to keep and observe all of the terms of this Mortgage on Mortgagor's part to be performed; and (b) Mortgagor represents and warrants that Mortgagor is not a foreign person within the meaning of Section 1445(f) (3) of the Internal Revenue Code of 1986, as amended and the related Treasury Department regulations, including temporary regulations.

SECTION 42. Waiver of Notice. Mortgagor shall not be entitled to any notices of any nature whatsoever from Agent except with respect to matters for which this Mortgage specifically and expressly provides for the giving of notice by Mortgagee to Mortgagor and except with respect to matters for which Agent is required by applicable law to give notice, and Mortgagor hereby expressly waives the right to receive any notice from Agent with respect to any matter for which this Mortgage does not specifically and expressly provide for the giving of notice by Mortgagee to Mortgagor or with respect to matters for which Agent is required by applicable law to give notice.

SECTION 43. Remedies of Mortgagor. In the event that a claim or adjudication is made that Agent has acted unreasonably or unreasonably delayed acting in any case where by law or under the Note, this Mortgage or the other Loan Documents, it has an obligation to act reasonably or promptly, Mortgagee shall not be liable for any monetary damages, and Mortgagor's remedies shall be limited to injunctive relief or declaratory judgment.

SECTION 44. Sole Discretion of Mortgagee. Wherever pursuant to this Mortgage, Agent exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to Agent, the decision of Agent to approve or disapprove or to decide

that arrangements or terms are satisfactory or not satisfactory shall be in the reasonable discretion of Agent, except as may be otherwise expressly and specifically provided herein.

SECTION 45. Non-Waiver. The failure of Agent to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Mortgage. Mortgagor shall not be relieved of Mortgagor's obligations hereunder by reason of (a) the failure of Agent to comply with any request of Mortgagor to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Note or the other Loan Documents, (b) the release, regardless of consideration, of the whole or any part of the Mortgaged Property, or of any person liable for the Debt or any portion thereof, or (c) any agreement or stipulation by Mortgagee extending the time of payment or otherwise modifying or supplementing the terms of the Note, this Mortgage or the other Loan Documents. Mortgagee may resort for the payment of the Debt to any other security held by Mortgagee in such order and manner as Agent, in its discretion, may elect. Agent may take action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Agent thereafter to foreclose this Mortgage. The rights and remedies of Mortgagee under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Mortgagee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Mortgagee shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

SECTION 46. No Oral Change. This Mortgage, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Mortgagor or Agent, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

SECTION 47. Inapplicable Provisions. If any term, covenant or condition of the Note or this Mortgage or the other Loan Documents is held to be invalid, illegal or unenforceable in any respect, the Note, this Mortgage and the other Loan Documents shall be construed without such provision.

SECTION 48. Headings, Etc. The headings and captions of various Sections of this Mortgage are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

SECTION 49. Duplicate Originals; Counterparts. This Mortgage may be executed in any number of duplicate originals and each such duplicate original shall be deemed to be an original. This Mortgage may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.

SECTION 50. Definitions. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Mortgage may be used interchangeably in singular or plural form and the word "*person*" shall include an individual, corporation, partnership, trust, unincorporated association, government, governmental authority, and any other entity, and the words "*Mortgaged Property*" shall include any portion of the Mortgaged Property and any interest therein and the words "*attorneys' fees*" shall include any and all reasonable attorneys' fees and disbursements, paralegal and law clerk fees, including, but not limited to, fees at the pre-trial, trial and appellate levels incurred or paid by Agent protecting its interest in the Mortgaged Property and Collateral and enforcing its rights hereunder. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

SECTION 51. Assignments. Subject to the terms of the Loan Agreement, and so long as same will not result in any material cost to Mortgagor, Agent shall have the right to assign or transfer its rights under this Mortgage without limitation. Any assignee or transferee shall be entitled to all the benefits afforded Mortgagee under this Mortgage in its absolute and sole discretion. Except as expressly permitted by the Loan Documents, Mortgagor may not assign the Mortgage without the prior written consent of Agent in its absolute and sole discretion. Except as otherwise stated, Mortgagor shall be released from any and all liability hereunder with respect to the period from and after the date of any such permitted transfer or any such transfer with the consent of Agent.

SECTION 52. WAIVER OF JURY TRIAL. MORTGAGOR DOES EACH HEREBY KNOWINGLY, VOLUNTARILY, UNCONDITIONALLY, IRREVOCABLY AND INTENTIONALLY FOREVER WAIVE THE RIGHT TO A TRIAL BY JURY IN EVERY JURISDICTION IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY AGENT AGAINST MORTGAGOR OR ITS SUCCESSORS OR ASSIGNS IN RESPECT OF ANY MATTER ARISING OUT OF, UNDER OR CONNECTED WITH (INCLUDING, WITHOUT LIMITATION, ANY ACTION TO RESCIND OR CANCEL THIS MORTGAGE OR THE LOAN SECURED HEREBY, AND ANY CLAIMS OR EXPENSES ASSERTING THAT THE NOTES OR THE LOAN SECURED HEREBY WAS FRAUDULENTLY INDUCED OR OTHERWISE VOID OR VOIDABLE) IN ANY MANNER WHATSOEVER THIS MORTGAGE, THE NOTES, THE MORTGAGED PROPERTY, OR ANY OF THE OTHER LOAN DOCUMENTS, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PERSON OR ANY EXERCISE BY ANY PARTY OF THEIR RESPECTIVE RIGHTS UNDER THE LOAN DOCUMENTS. THIS WAIVER OF THE RIGHT TO A JURY TRIAL IS A MATERIAL INDUCEMENT FOR AGENT TO ACCEPT THE NOTES AND MAKE THE LOAN SECURED HEREBY.

SECTION 53. Mortgagor's Exculpation. This Mortgage is subject to the limitations on liability set forth in Section 6.1 of the Loan Agreement entitled "Limited Recourse".

SECTION 54. Applicable Law. This Mortgage shall be governed by, and construed in accordance with, the laws of the State of Illinois applicable to contracts made under and intended to be wholly performed with the State of Illinois.

SECTION 55. Transfer Taxes. Mortgagor agrees to pay all Transfer Taxes that may hereinafter become due and payable with respect to any transfer, and in default thereof Agent may pay the same and the amount of such payment shall be added to the Debt and, unless incurred in connection with a foreclosure of this Mortgage, be secured by this Mortgage. The provisions of this Section shall survive any transfer and the delivery of the deed in connection with any transfer. Nothing in this Section 55 shall be deemed to restrict or otherwise limit the rights of the parties under Section 8.12 of the Loan Agreement.

SECTION 56. Payment of Costs; Mortgagee's Right to Cure. Mortgagor shall pay all actual, out-of-pocket costs and expenses of every character reasonably incurred in connection with the closing of the loan evidenced by the Note and secured hereby or otherwise attributable or chargeable to Mortgagor as the owner of the Mortgaged Property (excluding any of Agent's costs associated with the sale of participations in the Loan), including, without limitation, appraisal or survey fees, recording and filing fees, documentary, stamp, mortgage, Mortgage, trust deed, transfer or intangible taxes, brokerage fees and commissions, title policy premiums and title search fees, insurance costs, uniform commercial code/tax lien mitigation search fees, escrow fees and other title company charges, environmental engineer and consulting fees, and fees of other engineers and consultants, if any, and reasonable attorneys' fees and disbursements. If Mortgagor defaults in any such payment, which default is not cured within any applicable grace or cure period, Agent may, at its option pay the same and Mortgagor shall reimburse Agent demand for all such costs and expenses incurred or paid by Agent, together with such interest thereon at the Default Rate from and after the date of Agent's making such payment until reimbursement thereof by Mortgagor. Any such sums disbursed by Agent, together with such interest thereon, shall be additional indebtedness of Mortgagor secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Secured Obligations. Without limiting or waiving any other rights and remedies of Agent hereunder, if Mortgagor fails to perform any of its covenants or agreements contained in this Mortgage or in any of the other Loan Documents and such failure is not cured within any applicable grace or cure period, or if any action or proceeding of any kind (including, but not limited to, any bankruptcy, insolvency, arrangement, reorganization or other debtor relief proceeding) is commenced which might affect Agent's interest in the Mortgaged Property or Agent's right to enforce its security, then Agent may, at its option, with or without notice to Mortgagor, make any appearances, disburse any sums and take any actions as may be necessary or desirable to protect or enforce the security of this Mortgage or to remedy the failure

of Mortgagor to perform its covenants and agreements (without, however, waiving any default of Mortgagor). Mortgagor agrees to pay demand all actual, out-of-pocket expenses of Agent incurred with respect to the foregoing (including, but not limited to, reasonable fees and disbursements of counsel), together with interest thereon at the Default Rate from and after the date on which Agent incurs such expenses until reimbursement thereof by Mortgagor. Any such expenses so incurred by Agent, together with interest thereon as provided above, shall be additional indebtedness of Mortgagor secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. The necessity for any such actions and of the amounts to be paid shall be determined by Agent in its sole discretion. Agent is hereby empowered to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing or observing any such defaulted term, covenant or condition without thereby becoming liable to Mortgagor or any person in possession holding under Mortgagor. Mortgagor hereby acknowledges and agrees that the remedies set forth in this Section shall be exercisable by Agent, and any and all payments made or costs or expenses incurred by Agent in connection therewith shall be secured hereby and shall be, without demand, immediately repaid by Mortgagor with interest thereon at the Default Rate, notwithstanding the fact that such remedies were exercised and such payments made and costs incurred by Agent after the filing by Mortgagor of a voluntary case or the filing against Mortgagor of an involuntary case pursuant to or within the meaning of Title 11 of the United States Code, as amended, or after any similar action pursuant to any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable to Mortgagor, Agent, the Debt or any of the Loan Documents.

SECTION 57. Fixture Filing. A portion of the Mortgaged Property is or is to become fixtures upon the Premises or the Leasehold Premises. To the extent permitted by applicable law, Mortgagor covenants and agrees that the filing of this Mortgage in the real estate records of the county in which the Mortgaged Property is located shall also operate from the time of filing as a fixture filing with respect to all goods constituting part of the Mortgaged Property which are or are to become fixtures related to the real estate described herein. For such purpose, the following information is set forth:

(a) Name and Address of Debtor:

77 WEST WACKER DRIVE LIMITED PARTNERSHIP
c/o Prime Group Realty Trust
77 West Wacker, Suite 3900
Chicago, Illinois 60601
Attn: Louis G. Conforti and Jeffrey a. Patterson

(b) Name and Address of Secured Party:

WESTDEUTSCHE IMMOBILIENBANK
Wilhelm Theodor
Romheld Strasse 24, 55130 Mainz
Federal Republic of Germany
Attn: Dr. Jurgen Gerber or
Mr. Armin Gemmerich

(c) This document covers goods which are or are to become fixtures.

(d) The name of the record owner of the real property is 77 West Wacker Limited Partnership.

SECTION 58. Agent's Actions. All actions to be taken by Agent shall be subject to Article 7 of the Loan Agreement.

SECTION 59. Release or Assignment of Mortgage. If all of the Debt is paid, then and in that event only, all rights under this Mortgage, except for those provisions hereof which by their terms survive, shall terminate and the Mortgaged Property shall become wholly clear of the liens, security interests, conveyances and assignments evidenced hereby, which shall be promptly released of record by Mortgagee in due form at Mortgagor's cost. To the extent requested by Mortgagor, Mortgagee agrees to assign the Note and this Mortgage to such party as may be designated by Mortgagor upon the repayment (or purchase by another lender designated by Mortgagor) in full of the Debt, provided (i) any such assignment shall be without representation or warranty by Mortgagee and without recourse to Mortgagee, except that Mortgagee shall represent and warrant that it is the holder of the Note and the Mortgage, has the unencumbered right to transfer same and that such assignment is duly authorized, executed and delivered by it, (ii) such assignment shall not be precluded or prohibited by then applicable law and (iii) Mortgagee shall have no liability whatsoever to Mortgagor or Mortgagor's designee if the original of the Note or this Mortgage cannot be found, except that Mortgagee will deliver to Mortgagor a lost note/mortgage affidavit and indemnity in form reasonably satisfactory to Mortgagee and Mortgagor. Mortgagee will cooperate in the preparation of the necessary documentation to effectuate an assignment of this Mortgage, at Mortgagor's cost, including all reasonable attorneys' fees and expenses.

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IN WITNESS WHEREOF, Mortgagor has executed this instrument the day and year first above written.

MORTGAGOR:

77 WEST WACKER LIMITED PARTNERSHIP

By: **PRIME GROUP REALTY, L.P., its general partner**

By: **PRIME GROUP REALTY TRUST, its managing general partner**

By: 
Name: **JEFFREY A. PATTERSON**
Title: **EXCO. V. P.**

Property of Cook County Clerk's Office

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STATE OF ILLINOIS)
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO
HEREBY CERTIFY that JEFFREY A. PATTERSON, as Exec. V.P.
of PRIME GROUP REALTY TRUST, the managing general partner of 77 WEST WACKER
LIMITED PARTNERSHIP, who is personally known to me to be the same person whose name
is subscribed to the foregoing instrument as such Exec. V.P. of said
corporation, appeared before me this day in person and acknowledged that he signed and delivered
the said instrument as his own free and voluntary act and as the free and voluntary act of said
corporation, as general partner, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 30th day of September, 1999.

Jason Powell
Notary Public



COOK County Clerk's Office

99931502

EXHIBIT A
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CHICAGO TITLE INSURANCE COMPANY

LOAN POLICY (1992)

SCHEDULE A (CONTINUED)

POLICY NO.: 1401 007822406 D1

5. THE LAND REFERRED TO IN THIS POLICY IS DESCRIBED AS FOLLOWS:

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

PARCEL 1:

LOT 3 (EXCEPT THE EAST 20.50 FEET THEREOF); TOGETHER WITH THE NORTH 1.00 FOOT OF THE ORIGINAL 18-FOOT ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF SAID LOT 3 IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

AND

LOTS 1 TO 9, BOTH INCLUSIVE, IN THE SUBDIVISION OF LOT 4; TOGETHER WITH THE NORTH 1.50 FEET OF THE ORIGINAL 18-FOOT ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF SAID SUBDIVISION OF LOT 4 IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF THE WEST 1/2 OF NORTH GARVEY COURT (SAID NORTH GARVEY COURT BEING THE WEST 1/2 OF LOT 2 AND THE EAST 20.50 FEET OF LOT 3; TOGETHER WITH THE NORTH 1.00 FOOT OF THE ORIGINAL 18-FOOT ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF THE AFORESAID PARTS OF LOTS 2 AND 3 AND THE SOUTH LINE OF SAID 1.00 FOOT STRIP, BEING THE NORTH LINE OF WEST HADDOCK PLACE AS ESTABLISHED BY ORDINANCE PASSED SEPTEMBER 17, 1852) LYING ABOVE AN INCLINED PLANE HAVING AN ELEVATION OF +17.26 FEET ABOVE THE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF BLOCK 17 AND HAVING AN ELEVATION OF +21.23 FEET ABOVE THE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE ALL IN BLOCK 17, (AS VACATED BY THE CITY OF CHICAGO IN AN ORDINANCE PASSED MARCH 21, 1990 AND RECORDED APRIL 11, 1990 AS DOCUMENT 90164868), IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

THAT PART OF WEST HADDOCK PLACE AS ESTABLISHED BY ORDINANCE PASSED SEPTEMBER 17, 1852; TOGETHER WITH THE SOUTH 1.50 FEET OF THE ORIGINAL 18-FOOT ALLEY LYING NORTH OF AND ADJOINING THE NORTH LINE OF LOT 1 IN THE ASSESSOR'S DIVISION OF LOT 5 IN BLOCK 17; ALSO, THE SOUTH 1.00 FOOT OF SAID ORIGINAL 18-FOOT ALLEY LYING NORTH OF AND ADJOINING THE NORTH LINE OF LOT 6 IN BLOCK 17, ALL TAKEN AS ONE TRACT, LYING WEST OF THE SOUTHERLY EXTENSION OF THE WEST LINE OF THE EAST 20.50 FEET OF LOT 3 IN SAID BLOCK 17 AND LYING EAST OF THE WEST LINE OF BLOCK 17 AND ITS EXTENSIONS, (AS VACATED BY THE CITY OF CHICAGO IN AN ORDINANCE PASSED MARCH 21, 1990 AND

(SEE ATTACHED)

THIS POLICY VALID ONLY IF SCHEDULE B IS ATTACHED.

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CHICAGO TITLE INSURANCE COMPANY

LOAN POLICY (1992) SCHEDULE A (CONTINUED)

POLICY NO.: 1401 007822406 D1

RECORDED APRIL 11, 1990 AS DOCUMENT 90164868) IN THE ORIGINAL TOWN OF CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

B. THE LEASEHOLD ESTATE (SAID LEASEHOLD ESTATE BEING DEFINED IN PARAGRAPH 1(H) OF THE CONDITIONS AND STIPULATIONS OF THE POLICY), CREATED BY THE INSTRUMENT HEREBIN REFERRED TO AS THE LEASE, EXECUTED BY: AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED NOVEMBER 26, 1985 AND KNOWN AS TRUST NUMBER 66121, AS LESSOR, AND 77 WEST WACKER LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP, AS LESSEE, DATED MARCH 7, 1991, WHICH LEASE WAS RECORDED MARCH 18, 1991 AS DOCUMENT 91110739 WHICH DEMISED PARCEL 7 FOR A TERM OF YEARS AS SET FORTH THEREIN, AND DEMISES THE "APPURTENANT RIGHTS" SET FORTH IN PARCEL B OF EXHIBIT 'B' TO SAID LEASE OVER PARCEL 10 FOR SAID TERM, SAID PARCELS 7 AND 10 BEING DESCRIBED AS FOLLOWS:

PARCEL 7:

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

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

PARCEL 10:

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

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

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

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LOAN POLICY (1992)

SCHEDULE A (CONTINUED)

POLICY NO.: 1401 007822406 D1

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

PARCEL 3:

THAT PART OF THE EAST 1/2 OF NORTH GARVEY COURT (SAID NORTH GARVEY COURT BEING THE WEST 1/2 OF LOT 2 AND THE EAST 20.50 FEET OF LOT 3; TOGETHER WITH THE NORTH 1.00 FOOT OF THE ORIGINAL 18-FOOT ALLEY LYING SOUTH OF AND ADJOINING THE SOUTH LINE OF THE AFORESAID PARTS OF LOTS 2 AND 3, THE SOUTH LINE OF SAID 1.00 FOOT STRIP BEING THE NORTH LINE OF WEST HADDOCK PLACE AS ESTABLISHED BY ORDINANCE PASSED SEPTEMBER 17, 1852) LYING ABOVE AN INCLINED PLANE HAVING AN ELEVATION OF +17.26 FEET ABOVE THE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF BLOCK 17 AND HAVING AN ELEVATION OF +21.23 FEET ABOVE THE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE AND LYING BELOW AN INCLINED PLANE HAVING AN ELEVATION OF 47.26 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF SAID BLOCK 17 AND HAVING AN ELEVATION OF +51.23 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE, ALL IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO, IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 5:

THAT PART OF WEST HADDOCK PLACE AS ESTABLISHED BY ORDINANCE PASSED SEPTEMBER 17, 1852; TOGETHER WITH THE SOUTH 1.00 FOOT OF THE ORIGINAL 18-FOOT ALLEY LYING NORTH OF AND ADJOINING THE NORTH LINE OF THE WEST 1/2 OF LOT 7 AND THE NORTH LINE OF THE EAST 20.50 FEET OF LOT 6 ALL TAKEN AS ONE TRACT LYING EAST OF THE SOUTHERLY EXTENSION OF THE WEST LINE OF THE EAST 20.50 FEET OF LOT 3 IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO, LYING WEST OF THE SOUTHERLY EXTENSION OF THE EAST LINE OF THE WEST 1/2 OF LOT 2 IN SAID BLOCK 17, LYING ABOVE AN INCLINED PLANE, HAVING AN ELEVATION OF +21.23 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE AFORESAID, AND HAVING AN ELEVATION OF +21.72 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE SOUTH LINE OF THE ORIGINAL 18-FOOT ALLEY AFORESAID, AND LYING BELOW AN INCLINED PLANE, HAVING AN ELEVATION OF +71.23 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE NORTH LINE OF WEST HADDOCK PLACE AFORESAID, AND HAVING AN ELEVATION OF +71.72 FEET ABOVE CHICAGO CITY DATUM, MEASURED ALONG THE SOUTH LINE OF THE ORIGINAL 18-FOOT ALLEY AFORESAID, ALL IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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

PARCEL 6:

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

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LOAN POLICY (1992)

SCHEDULE A (CONTINUED)

POLICY NO.: 1401 007822406 D1

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

PARCEL 8:

THAT PORTION OF THE LAND DESCRIBED BELOW (THE STAIRWAY LAND) SUBJECT TO THE EASEMENT SET FORTH IN "E" ABOVE:
LOT 1 AND THE EAST 1/2 OF LOT 2 IN BLOCK 17 OF THE ORIGINAL TOWN OF CHICAGO IN SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

AND

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

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

PARCEL 9:

THAT PORTION OF THE LAND DESCRIBED BELOW (THE WALL LAND) SUBJECT TO THE EASEMENTS SET FORTH IN "F" ABOVE:
ALL OF SUB-LOTS 1 TO 7 AND THE ALLEY IN THE ASSESSOR'S DIVISION OF LOT 5 IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO; ALSO LOT 6 (EXCEPT THE EAST 20.00 FEET THEREOF) IN BLOCK 17 IN THE ORIGINAL TOWN OF CHICAGO ALL IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

G. SUPPORT AND INGRESS AND EGRESS EASEMENTS AS CREATED BY AGREEMENT DATED OCTOBER 22, 1991, AND RECORDED MARCH 26, 1992, AS DOCUMENT 92199746 AMONG AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED JUNE 18, 1991, AND KNOWN AS TRUST NUMBER 52947, AND OTHERS OVER THOSE PORTIONS OF PARCELS 11A AND

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LOAN POLICY (1992)

SCHEDULE A (CONTINUED)

POLICY NO.: 1401 007822406 D1

11B, WHICH ARE SET FORTH IN SAID AGREEMENT; SAID PARCEL 11 BEING DESCRIBED BELOW.

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

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

PARCEL 11:

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

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

ALSO
ALL OF SUB-LOTS 1 TO 8 IN THE SUBDIVISION OF LOT 8 IN SAID BLOCK 17
ALL IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ALSO

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

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

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

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

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

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CHICAGO TITLE INSURANCE COMPANY

LOAN POLICY (1992)

SCHEDULE A (CONTINUED)

POLICY NO.: 1401 007822406 D1

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

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