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LAWYERS TITLE INS. COMP.
ONE PROFESSIONAL CENTER
SUITE 215
CROWN POINT, IN 46317
57122
(Indiana Fee)
MRT #646

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**MORTGAGE, ASSIGNMENT OF RENTS, SECURITY
AGREEMENT AND FIXTURE FILING**

from

MORTGAGE AND REALTY TRUST,

Mortgagor

to

Document is
NOT OFFICIAL
WILMINGTON TRUST COMPANY,
a Delaware banking corporation,
and WILLIAM J. WADE, acting not in their
individual capacities but solely as
Collateral Agents,

Mortgagee

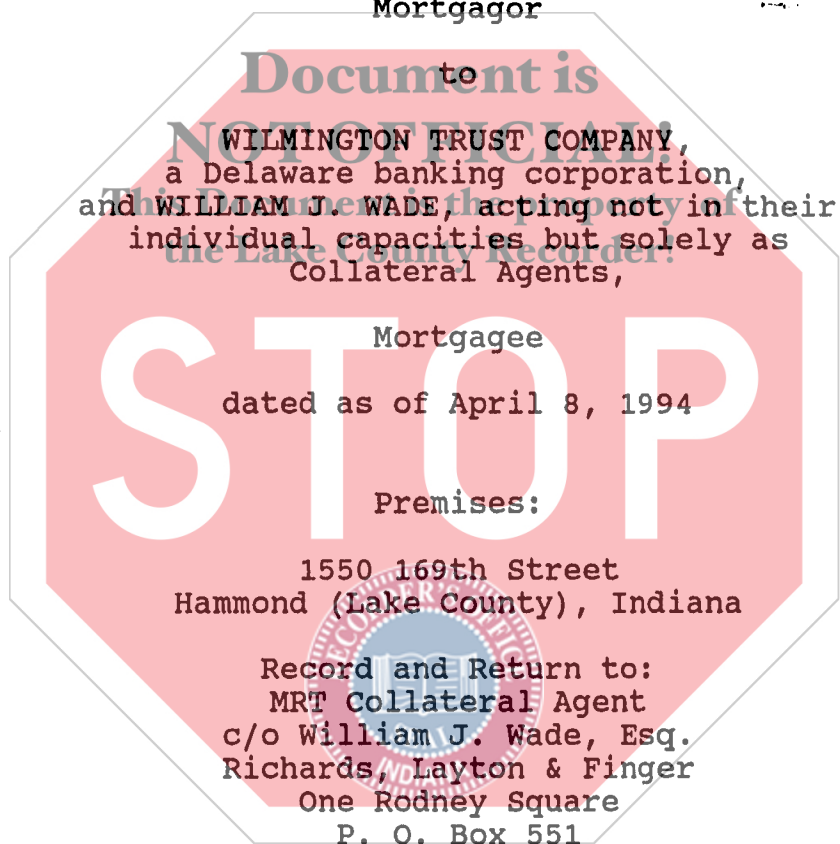
dated as of April 8, 1994

Premises:

1550 169th Street
Hammond (Lake County), Indiana

Record and Return to:
MRT Collateral Agent
c/o William J. Wade, Esq.
Richards, Layton & Finger
One Rodney Square
P. O. Box 551

Wilmington, Delaware 19899



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RECORDER
JH

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STATE OF INDIANA
LAKE COUNTY
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CROWN POINT, INDIANA

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**MORTGAGE, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**

THIS MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("Mortgage") is made as of the eighth (8th) day of April, 1994, by **MORTGAGE AND REALTY TRUST**, a Maryland real estate investment trust ("MRT"), having an office at 3500 West Olive Avenue, Suite 600, Burbank, California 91505-4628 herein called Mortgagor, to **WILMINGTON TRUST COMPANY**, a Delaware banking corporation, and **WILLIAM J. WADE**, acting not in their individual capacities but solely as Collateral Agents for Lenders under and pursuant to that certain Collateral and Security Agreement made as of February 21, 1991 as amended by that certain First Amendment to Collateral and Security Agreement dated as of July 15, 1992 (the "Collateral Agreement") and that certain Indenture by and between MRT and Wilmington Trust Company as Trustee dated as of July 15, 1992 (the "Indenture"), herein collectively referred to as Mortgagee, whose mailing address and address from which information concerning its security interest may be obtained is:

This Document is the property of

MRT Collateral Agent
c/o William J. Wade, Esq.
Richards, Layton & Finger
One Rodney Square
P.O. Box 551
Wilmington, Delaware 19899

If not otherwise defined herein, capitalized terms referred to herein shall have the meanings assigned to those terms in or by reference in the Collateral Agreement, the Plan (as hereinafter defined), and the Indenture.

W I T N E S S E T H :

WHEREAS, Mortgagor has executed and delivered to Mortgagee the Collateral Agreement, which provides for the prompt payment by the said Mortgagor of certain sums when due, of which \$4,600,000.00 is allocated to the Property (as hereinafter defined) and the prompt performance of other obligations, liabilities and indebtedness on the terms and conditions set forth therein, all of which are incorporated herein by reference;

WHEREAS, Mortgagor has incurred or will incur obligations to Lenders on certain terms and conditions as hereinafter set forth;

WHEREAS, Mortgagor owns the "Property" (as hereinafter defined) covered by this Mortgage;

WHEREAS, Mortgagor owns and may hereafter acquire certain fixtures located on or about the "Land" (as hereinafter defined) covered by this Mortgage;

WHEREAS, Mortgagor, for good and valuable consideration received, has agreed to absolutely assign the rents, issues and profits of the Property to Mortgagee; and

WHEREAS, Mortgagor, for good and valuable consideration received, has agreed to execute and deliver this Mortgage to secure the obligations of Mortgagor as hereinafter set forth.

NOW, THEREFORE:

1. Grant of Mortgage. For good and valuable consideration, the receipt of which is hereby acknowledged, Mortgagor hereby irrevocably grants, bargains, mortgages and warrants to Mortgagee, all of Mortgagor's right, title and interest now held or hereafter acquired in and to the following (which, except where the context otherwise requires, are collectively referred to as the "Property"):

(a) Land. All that certain real property ("Land"), which is more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference;

(b) Rents and Other Income. All rents, issues, profits, royalties, income, revenues, and other benefits derived from the Property or from the business located thereon or operated with respect thereto (collectively the "Rents"), subject to the right, power, and authority hereinafter given to Mortgagee to collect and apply Rents;

(c) Leases. All leases or subleases covering the Land or any portion thereof now or hereafter existing or entered into, and all right, title, and interest of Mortgagor thereunder including, without limitation, all cash or security deposits, advance rentals, and deposits or payments of similar nature;

(d) Options. All options to purchase, lease or sublease or otherwise acquire (i) the Land or any portion thereof or interest therein, any greater estate in the Land now owned or hereafter acquired or (ii) any other property of any kind adjacent to or used or to be used in connection with any of the Property;

(e) Other Interests. All interests, estate or other claims, both in law and in equity, in the Land;

(f) Easements. All easements, rights-of-way or other rights, and all tenements, hereditaments and appurtenances thereof and thereto, held or used in connection with (i) the Land as a means of access to the Land, or (ii) any of the Property for any purpose;

(g) Mineral Rights. All minerals, oil, gas and water on or under the Land and all rights to extract, sever or remove any and all of the same from the Land;

(h) Improvements, Business Rights and Fixtures.

All buildings, structures, improvements, equipment, fixtures, chattels, electronic machines, machinery, apparatus, equipment, general intangibles, fittings and articles of personal property of every kind and nature whatsoever, all appurtenances and additions thereto and substitutions or replacements thereof (herein collectively referred to as the "Fixtures"), and other articles of property now or hereafter installed in, located on, attached to, or used or adapted or intended for use in the operation of the Land, including, without limiting the generality of the foregoing, all heating and incinerating apparatus and equipment whatsoever, all boilers, engines, motors, dynamos, generating equipment, piping and plumbing fixtures, ranges, cooking apparatus and mechanical kitchen equipment, stoves, refrigerators, freezers, air-cooling and air conditioning apparatus, ventilating, sprinkling and vacuum cleaning systems, communication systems, fire extinguishing apparatus, loading and unloading equipment systems, laundry and cleaning systems, gas and electric fixtures, lighting, switchboards, carpeting, underpadding, rugs, elevators, escalators, partitions, mantels, built-in mirrors, window shades, blinds, curtains, draperies, screens, storm sashes, awnings, motor vehicles of every kind and description, furniture, furnishings of public spaces, halls and lobbies, shrubbery and plants, books and records relating to or employed in any business now or hereafter operated on the Land, including all interest of Mortgagor in any of such items now or hereafter at any time acquired under lease, conditional sale contract, chattel mortgage, or other title retaining or security instrument; all of which property mentioned in this paragraph, whether or not subject to any other security interest, shall be deemed part of the Land and not severable wholly or in part without material injury to the Land; and all rights in and to any business located or operated on or in connection with the Land or any of the Property;

(i) Other Furnishings and Equipment. All other furniture, furnishings, fixtures, appliances, machinery or equipment attached to, located on or about, arising out of, related to, or used or adapted for use or intended to be used in connection with the Property, including without limitation all model unit and sales and business furniture, furnishings, decorations, appliances, equipment and material;

(j) Additions and Substitutions. All additions, accessions, replacements, substitutions, and renewals of or to any of the foregoing real or personal property;

(k) Other Contract Rights. All permits, applications, licenses and contracts to improve, use, develop, subdivide, sell, study, survey or appraise any of the Land and all contracts, plans and specifications including all amendments, modifications, supplements, general conditions and addenda thereof or thereto, prepared by or under the supervision of any architect, engineer,

surveyor or appraiser for the account of Mortgagor in connection with the use or development of, or construction of improvements on or to, any of the Land;

(l) Permits and Approvals. All use permits, rights under tentative, preliminary or final maps, subdivision applications and all other zoning, regulatory and use approvals and permits including extension, renewal and modification rights, relating to the use, development or sale of any of the Property;

(m) Professional Contract Rights. All contracts with property managers, real estate advisors and consultants, real estate brokers and other like agents and professionals, which relate to any of the Property or any improvements contracted or to be constructed thereon, and all maps, reports, surveys and studies of or relating to any of the Property or any improvements constructed or to be constructed thereon, now or hereafter in the possession of Mortgagor, or in the possession of any such agent or professional;

(n) Proceeds. All proceeds including insurance and condemnation proceeds and products of any and all of the foregoing and any and all right, title or interest that Mortgagor may hereafter acquire in and to any of the foregoing;

(o) Books and Records. All books and records pertaining to any of the Property including, without limitation, all computer hardware and software and all equipment and tangible personal property in which such books and records are kept;

TO HAVE AND TO HOLD the Property and the rights and privileges hereby conveyed or intended to be, unto Mortgagee, its successors and assigns for the uses and purposes herein set forth, until the Liabilities are fully paid and the Secured Obligations as hereinafter defined are fully performed in accordance with the provisions set forth herein and in the Collateral Agreement.

2. Assignment of Rents. Mortgagor absolutely and unconditionally assigns to Mortgagee the Rents upon the terms and conditions hereinafter set forth. This assignment is absolute, primary and direct and is not intended to be a separate or secondary pledge, or other form of additional security, and no further act or step is or shall be required of Mortgagee to perfect this assignment. This assignment shall not impose upon Mortgagee any duty to cause the Property to produce any Rents nor shall Mortgagee be deemed to be a mortgagee-in-possession by reason thereof for any purpose.

3. Obligations Secured By This Mortgage. This Mortgage secures the following obligations (collectively, the "Secured Obligations"):

(a) Mortgage. The performance of each and every agreement, obligation, or covenant of Mortgagor herein contained or incorporated by reference;

(b) Secured Obligations. Prompt payment and performance of (i) all now existing and hereafter arising "Liabilities" of Mortgagor as defined in and secured by the Collateral Agreement, (ii) any and all other obligations, liabilities or indebtedness of Mortgagor to Mortgagee, however incurred, whether absolute or contingent and whether now existing or hereafter arising contained in any agreement reciting that it is so secured, and (iii) any extensions, modifications or renewals of any of the foregoing, including, without limitation, any new or additional promissory notes or loan documents executed in connection therewith;

(c) Other Documents. Performance of each and every agreement, obligation, or covenant of Mortgagor contained in any of the Documents, including, without limitation the Joint Plan of Reorganization proposed by MRT, the Creditor's Committee and the Equity Committee, date November 19, 1990 and confirmed by the Court on February 21, 1991 as amended by Amendment No. 2 to Plan of Reorganization dated as of July 15, 1992 (the "Plan").

(d) Additional Sums. Payment of such further sums or advances as Mortgagor or the then record owner of the Property may hereafter become obligated to pay to Lenders or Mortgagee or their respective successors and assigns, when evidenced by a Promissory Note or other instrument or agreement reciting that it is so secured hereby.

TO PROTECT THE SECURITY OF THIS MORTGAGE AND TO EFFECT THE FOREGOING ASSIGNMENT OF RENTS, THE PARTIES AGREE AS FOLLOWS:

4. Covenants and Representations of Mortgagor. Mortgagor shall perform and observe all covenants and representations applicable to the Property or any of it contained in the Plan, the Collateral Agreement, and the Indenture.

5. Payment and Performance of Creditor Obligations. Mortgagor shall pay the Creditor Obligations at the times and places and in the manner specified in the Plan and the Indenture. Mortgagor shall perform all the Liabilities in accordance with the provisions of the Plan and the Indenture. Mortgagor shall perform all obligations contained in the Documents.

6. Payment of Impositions.

(a) Subject to the provisions of subparagraph (c), below, Mortgagor shall pay and discharge all Taxes of every kind and nature (including, without limitation, all real and personal property taxes and assessments, income, franchise, withholding, profits and gross receipts taxes), all general and special assess-

ments, levies, permits, inspection and license fees, all water and sewer rents and charges and other public charges whether of a like or different nature, foreseen or unforeseen, ordinary or extraordinary, public or private, imposed upon or assessed against Mortgagor or any of the Property (including without limitation, any of the Property which is affixed to the Land, or used in connection therewith and owned by the Mortgagor) and other space beyond the lot line and on or abutting the public sidewalks in front of or adjoining the Land (to the extent that the Mortgagor is liable therefor), or arising in respect of the occupancy, use or possession thereof, together with any penalties, late charges or interest on any of the foregoing (all of the foregoing are hereinafter collectively referred to as the "Impositions").

(b) Subject to the provisions of subparagraph (c), below, nothing herein shall affect the right or remedy of Mortgagee under this Mortgage or otherwise to pay any Imposition as and when provided by the terms of the Collateral Agreement, or the Plan or the Indenture. Any sums paid by or on behalf of Mortgagee in discharge of any Impositions shall (i) constitute a lien and charge upon all the Property and (ii) be payable by Mortgagor pursuant to the terms of the Collateral Agreement. Nothing contained in this Mortgage shall be deemed to waive or impair any right of Mortgagee to be subrogated to the rights of the payee of any Imposition.

(c) The Plan, Collateral Agreement, and Indenture shall govern Mortgagor's obligation to pay Impositions, including the right of Mortgagor to contest same, or the liability of Mortgagor to Mortgagee for any payment pursuant to subparagraph (b), above.

7. Insurance. As and to the extent required by the Plan, or the Collateral Agreement, or the Indenture, Mortgagor shall maintain insurance for the Property and name Mortgagee as an additional loss payee. Proceeds of insurance shall be governed by the terms of the Plan and Collateral Agreement.

8. No Encumbrances. Mortgagor shall not create, consent to or suffer the creation of any lien, claim, charge, encumbrance, security interest or levy on or in any of the Property other than as permitted under the Plan, Collateral Agreement, and Indenture.

9. Leases.

(a) Leases, licenses, contracts for hire or rental agreements pertaining to the use or occupancy of any of the Property entered into at any time by Mortgagor or any predecessor to Mortgagor, as landlord or lessor, and any other party, as tenant or lessee, shall hereinafter be referred to as "Tenant Leases." Tenant Leases shall include, without limitation, those lease agreements more fully described on Exhibit B.

(b) Mortgagor shall receive Rents, in trust for the benefit of Mortgagee, for the purpose of paying the Secured Obligations and any other costs associated with the performance of the Liabilities then due, if any; provided, however, that nothing contained in this subparagraph shall impair any right of Mortgagor to retain or use Rents under the terms of the Plan and the Indenture.

(c) Mortgagor shall (i) give written notice to Mortgagee (as part of Mortgagor's normal reporting under the terms of the Plan and Indenture) of the entering into of any new Tenant Lease, including a copy thereof and (ii) upon the written request of Mortgagee, and, only where required by the law applicable to such Tenant Lease in order to perfect Mortgagee's or Mortgagee's lien upon or rights to such Tenant Lease, execute, acknowledge and deliver, in form satisfactory to Mortgagee, one or more separate assignments of the lessor's interest under any Tenant Lease. Mortgagor shall pay to Mortgagee the expenses incurred by Mortgagee in connection with the preparation and recording of any such instrument.

10. Eminent Domain: Condemnation. Mortgagor shall give prompt written notice to Mortgagee of any condemnation or eminent domain proceeding affecting the Property. Proceeds of any condemnation or eminent domain proceeding affecting the Property shall be governed by the terms of the Plan, Collateral Agreement, and Indenture.

11. Further Assurances/Estoppel Certificates. As and to the extent required by the Collateral Agreement and the Indenture, Mortgagor shall do, execute, acknowledge and deliver, at the sole cost and expense of Mortgagor, all and every such further acts, deeds, conveyances, mortgages, deeds of trust, assignments, estoppel certificates, notices of assignment, transfers and assurances as Mortgagee may reasonably require from time to time in order to better assure, convey, assign, transfer, record, perfect or confirm unto Mortgagee (where appropriate), and to Mortgagee, the rights intended to be granted to Mortgagee or to the Mortgagee, as the Lease may be, under this Mortgage, or any of the Documents. Mortgagor hereby appoints Mortgagee its attorney-in-fact with the power to execute, acknowledge or deliver any document, agreement or instrument to which Mortgagee is entitled pursuant to this section. The power granted to Mortgagee in this section shall be coupled with an interest and shall be irrevocable until such time as Mortgagee voluntarily releases its rights hereunder.

12. Mortgagor's Existence. Mortgagor shall do all things necessary to preserve and keep in full force and effect its existence, franchises, rights and privileges under the laws of the State in which the Property is located and its right to own property and transact business in such State.

13. Change of Name. Mortgagor shall not change its name or address of its chief executive office without giving thirty (30) days prior notice to Mortgagee.

14. Right of Inspection. Mortgagee, or its agent or employees, may enter upon the Property at any reasonable time for the purpose of inspecting same and ascertaining the compliance of Mortgagor with the terms hereof.

15. Collection of Rents, Issues and Profits. Mortgagee confers upon Mortgagor the authority to collect and retain the Rents as they become due and payable; provided, however, that Mortgagee may at any time after the occurrence of a Default (as hereinafter defined) and without regard to the value of the security, in Mortgagee's sole discretion and without notice to Mortgagor, revoke said authority and may collect and retain any or all of the Rents, without taking possession of all or any part of the Property. The right to collect Rents as herein provided shall not be deemed to grant to Mortgagee the right to possession of the Property, except as expressly herein provided, or to impose upon Mortgagee the duty to produce any Rents or maintain the Property in whole or in part. Any Rents collected by Mortgagee may be applied by Mortgagee, in its sole discretion, against any of the Secured Obligations whether now existing or hereafter arising. Collection of any Rents by Mortgagee shall not waive any other right or remedy of Mortgagee hereunder or any notice of default given hereunder or invalidate any acts done pursuant to notice.

16. Defaults. The occurrence of any Event of Default under (and as defined and particularly described in) the Plan, Collateral Agreement, and Indenture shall constitute a default (a "Default") by Mortgagor hereunder.

17. Rights and Remedies. If an Event of Default has occurred and is continuing and upon the instruction of Lenders pursuant to the Plan and the Indenture, Mortgagee, in its sole discretion, shall have any and all of the following rights and remedies without regard to the adequacy of any security for the obligations and indebtedness hereby secured:

(a) Acceleration of Maturity. In accordance with the Plan and Indenture, to declare the Liabilities immediately due and payable, without presentment, demand, protest or further notice of any kind, all of which are expressly waived by Mortgagor. Any Acceleration may be rescinded and annulled by Lenders pursuant to Lenders Action. No such rescission and annulment shall affect any subsequent Default or Acceleration or impair any right of any Lender with respect to any subsequent Default or Acceleration;

(b) Performance of Mortgagee. With or without notice and without releasing Mortgagor from any obligation hereunder, to cure any default under any agreement affecting the security hereof and in connection therewith to enter upon the

Property and do such acts and things as Mortgagee deems necessary or desirable to protect the security hereof including (i) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee hereunder, (ii) pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien as and to the extent authorized by the terms of the Plan, Collateral Agreement, and Indenture (iii) pay any premium or charge with respect to insurance required to be carried hereunder or in the Plan or Collateral Agreement or Indenture, or (iv) employ counsel, accountants, contractors and other appropriate persons to assist either of them;

(c) Proceedings. To commence and maintain an action or actions, or other case or proceeding, in any court of competent jurisdiction, to foreclose this instrument as a mortgage, for appointment of a receiver, or for specific enforcement of the covenants of Mortgagor hereunder, and Mortgagor agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy;

(d) Possession of Property: Appointment of Receiver. Irrespective of whether Mortgagee exercises the option provided in subparagraph (a) above, to enter upon, take possession of, manage and operate the Property or any part thereof in person or by agent or by court-appointed receiver; to make, terminate, enforce or modify leases of the Property upon such terms and conditions as Mortgagee deems proper, make repairs, alterations and improvements to the Property or develop the Property, for the purpose of protecting or enhancing the security hereof, and Mortgagor agrees to pay all expenses of action so taken only as and to the extent required by Section 10.08 of the Collateral Agreement, Section 22.1 of the Plan, and Section 607 of the Indenture and the payment thereof shall be secured hereby. All sums realized by Mortgagee hereunder, less all costs and expenses, including reasonable attorneys' fees, and less such sum as Mortgagee deems necessary and appropriate as a reserve to meet such future expenses, shall be applied upon any indebtedness secured hereby in such order as Mortgagee, in its sole discretion, shall determine. Neither application of said sums to said indebtedness nor any other action taken by Mortgagee hereunder shall waive any other right or remedy of Mortgagee hereunder or any notice of default hereunder or nullify the effect of any such notice of default. Any action taken under this subparagraph may be taken by Mortgagee or any employee or agent of Mortgagee with or without bringing any action or proceeding, or may be taken by a receiver appointed by a court, and any such action may be taken without regard to the adequacy of the security for the indebtedness secured hereunder and whether or not notice of default has been recorded, and Mortgagor consents to the appointment of a receiver hereunder;

(e) Sale of Property. Without prior notice to Mortgagor, to execute a written notice of such default and of Mortgagee's election to cause the Property to be sold to satisfy

all or any of the Secured Obligations. Such notice of sale shall be given and recorded as then required by law as a condition for conducting a sale by Mortgagee. When the minimum period of time required by law after such notice has elapsed, Mortgagee, without demand on Mortgagor, shall sell the Property at the time and place of sale fixed by it in the notice of sale, either as a whole or in separate parcels and in such order as it or Mortgagee may determine, at a public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Mortgagee may hold one or more sales of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale or sales of all or any portion of the property by public announcement at such time fixed by the preceding postponement. Mortgagee shall deliver to the Purchaser at such sale or sales its deed or bill of sale conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed or bill of sale of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person including Mortgagor, Mortgagee may purchase at such sale. If Mortgagee is the successful purchaser, it may apply any of the outstanding obligations secured hereby in settlement of the purchase price. After deducting all costs, fees and expenses of Mortgagee, including costs of evidence of title and reasonable attorneys' fees in connection with such sale, Mortgagee shall, unless otherwise instructed by Mortgagee and if permitted by applicable law, apply the proceeds of sale, if any, to payment of (i) all sums expended by or on behalf of Mortgagee under the terms hereof not then repaid, with accrued interest thereon at the legal rate, (ii) the payment of the Secured Obligations pursuant to the instructions of Mortgagee, and (iii) the remainder, if any, to the person or persons legally entitled thereto.

18. Uniform Commercial Code Security Agreement and Financing Statement. This Mortgage is a security agreement and financing statement pursuant to the Uniform Commercial Code for any of the items specified above as part of the Property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Mortgagor hereby grants Mortgagee a security interest in said terms. This Mortgage is filed as a fixture filing and covers goods which are or are to become fixtures. The address of Mortgagee (secured party) from which information concerning the security interest may be obtained and the mailing address of Mortgagor (debtor) are set forth on the first page of this Mortgage. The types, or items, of collateral are described in Paragraph 1 of this Mortgage. Mortgagor agrees that Mortgagee may file any appropriate document in the appropriate index as a financing statement for any of the items specified above as part of the Property. In addition, Mortgagor agrees to execute and deliver to Mortgagee, upon Mortgagee's request, any financing statements, as well as extensions, renewals and amendments thereof, and reproductions of this instrument in such form as Mortgagee may require to perfect a security interest with respect to said items. Mortgagor shall pay all costs of filing such financing statements

and any extensions, renewals, amendments, and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Mortgagee may reasonably require. Without the prior written consent of Mortgagee, Mortgagor shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacements and additions thereto except as otherwise expressly permitted in the Collateral Agreement, Plan, or Indenture. Upon a Default, Mortgagee shall have the remedies of a secured party under the Uniform Commercial Code and, at Mortgagee's option, may also invoke the other remedies provided in this Mortgage, the Collateral Agreement, and the Indenture as to such items. In exercising any of said remedies, Mortgagee may proceed against the items of real property and any items of personal property specified above as part of the Property separately or together and in any order whatsoever, without in any way affecting the availability of Mortgagee's rights or remedies under the Uniform Commercial Code or of the other remedies provided in this Mortgage, in the Collateral Agreement, in the Indenture, or by law.

TO MAKE MORTGAGEE'S RIGHT TO ENFORCE REMEDIES HEREUNDER MORE FLEXIBLE AND EFFECTIVE, THE PARTIES ADDITIONALLY AGREE:

19. Remedies Cumulative. All rights and remedies of Mortgagee hereunder are cumulative and in addition to all rights and remedies provided by law and by the Collateral Agreement and the Indenture.

20. Marshalling. Mortgagor hereby waives any marshalling equity or other right to inhibit, delay or restrict any sale or other disposition of the Property or any part thereof by Mortgagee or to direct the order of such sale or sales or other disposition.

21. Notice of Sale. Any power granted to Mortgagee in this Mortgage may be exercised, pursuant to a single notice of sale, separately with respect to each and every item or parcel of Property or with respect to groups and assemblages of Property, in Mortgagee's sole discretion, and may be exercised on separate days or at separate times or in separate places; the exercises of such remedies shall not be an action for purposes of any law or statute pertaining to actions to enforce secured transactions.

22. Jury Trial. Each of the parties hereto waives any right it may have to trial by jury.

BECAUSE COLLATERAL FOR THE SECURED OBLIGATIONS IS LOCATED IN DIFFERENT STATES, THE Mortgagor AGREES TO WAIVE CERTAIN ADDITIONAL RIGHTS RESPECTING THE ENFORCEMENT OF REMEDIES, AS FOLLOWS:

23. Redemption and Valuation. As and to the fullest extent permitted by law, Mortgagor waives any statutory right of redemption following any sale or other disposition of Property by Mortgagee and any right to have Property which is sold or otherwise

disposed of by Mortgagee valued after such sale or disposition, so that the total deficiency then remaining may be bid in any order and in any part by Mortgagee at any other sale until the debt is satisfied in full or the final deficiency then remaining shall be reducible to judgment against Mortgagor by any court of competent jurisdiction; provided that the value of the Property sold or otherwise disposed of by Mortgagee shall, to the extent required by the law of the jurisdiction in which such Property is located, be taken into account before entering a deficiency judgment against Mortgagor.

24. Defenses. Any defense available to Mortgagor with respect to or as a result of a sale or other disposition of any Property pursuant to this section within one state shall not be available to Mortgagor with respect to any Property located in any other state.

25. Sale of Property. Following the occurrence of a Default and upon the instruction of Lenders pursuant to the Plan and the Indenture, Mortgagee shall be entitled to sell or dispose of any Property or any part thereof pursuant to this Mortgage in any order and in any state or states, by court proceeding for foreclosure, seizure, appointment of receiver or otherwise, without regard to any substantive or procedural defense, pleading bar, sanction or other remedy which would otherwise be available to Mortgagor affecting Mortgagee's sole discretion to sell or dispose of the Property or any part thereof in one action rather than in multiple actions, en masse rather than by parcel, or in satisfaction of all the indebtedness then secured by such Property rather than of any part of the Indebtedness designated by the Mortgagee in its sole discretion, and for that purpose, and as and to the extent required to make the remaining waivers, representations and agreements set forth in this section and permitted by law, Mortgagor hereby disclaims any right and waives any defense under

(a) California Code of Civil Procedure Section 580d, concerning the bar against rendition of a deficiency judgment after foreclosure under a power of sale,

(b) California Code of Civil Procedure Section 726, concerning the form of foreclosure proceedings with respect to real property security located in California,

(c) California Civil Code Section 1479, concerning the application of general performance under several obligations to one creditor,

(d) California Civil Code Section 2924g, concerning the conduct of trustee's sales,

(e) California Civil Code Section 3433, concerning the relative rights of different creditors interested in the same property, and

(f) any laws or equitable principles in any other states in the United States of America similar to the laws delineated in subparagraphs (a), (b), (c), (d), and (e) above.

GENERAL PROVISIONS

26. Non-Waiver.

(a) By accepting payment of any amount after its due date or late performance of any obligation secured hereby, Mortgagee will not waive its right either to require prompt payment when due of any other amounts or prompt performance of any other obligations so secured or to declare a default for failure to pay or perform when due. No exercise of any right or remedy by Mortgagee hereunder shall constitute a waiver of any other right or remedy herein contained or provided by law.

(b) No waiver by Mortgagee will be effective unless it is in writing and then only to the extent specifically stated. Without limiting the generality of the foregoing, any payment made by the Mortgagee for insurance premiums, Impositions or any other charges affecting the Real Estate, shall not constitute a waiver of Mortgagor's default in making such payments and shall not obligate Mortgagee to make any further payments.

(c) Mortgagor agrees that in the event that any or all of such Property is sold subject to this Mortgage and Mortgagee enters into any agreement with the then owner of such Property respecting, or extending the time for, payment of all or any part of the Secured Obligations, or otherwise modifying any of the terms hereof, Mortgagor shall continue to be liable for the Secured Obligations pursuant to the terms of the Plan, Collateral Agreement, and Indenture.

27. Successors and Assigns. The word "Mortgagee" hereunder means the Mortgagee named herein or any successor in interest thereto. This Mortgage is binding upon and inures to the benefit of any successor to or assignee of any party hereto.

28. Rules of Construction. Except as otherwise specifically provided in this Mortgage, the singular of any term shall include the plural; the use of any term shall be equally applicable to any gender; "or" shall not be exclusive; and "including" shall not be limiting. Specific enumeration of rights, powers and remedies of Mortgagee and of acts which they may do and of acts to be done and not to be done by Mortgagor is not to be deemed to exclude or limit the general. The captions, headings and arrangements used in this deed of trust are for convenience only and do

(e) California Civil Code Section 3433, concerning the relative rights of different creditors interested in the same property, and

(f) any laws or equitable principles in any other states in the United States of America similar to the laws delineated in subparagraphs (a), (b), (c), (d), and (e) above.

GENERAL PROVISIONS

26. Non-Waiver.

(a) By accepting payment of any amount after its due date or late performance of any obligation secured hereby, Mortgagee will not waive its right either to require prompt payment when due of any other amounts or prompt performance of any other obligations so secured or to declare a default for failure to pay or perform when due. No exercise of any right or remedy by Mortgagee hereunder shall constitute a waiver of any other right or remedy herein contained or provided by law.

(b) No waiver by Mortgagee will be effective unless it is in writing and then only to the extent specifically stated. Without limiting the generality of the foregoing, any payment made by the Mortgagee for insurance premiums, Impositions or any other charges affecting the Real Estate, shall not constitute a waiver of Mortgagor's default in making such payments and shall not obligate Mortgagee to make any further payments.

(c) Mortgagor agrees that in the event that any or all of such Property is sold subject to this Mortgage and Mortgagee enters into any agreement with the then owner of such Property respecting, or extending the time for, payment of all or any part of the Secured Obligations, or otherwise modifying any of the terms hereof, Mortgagor shall continue to be liable for the Secured Obligations pursuant to the terms of the Plan, Collateral Agreement, and Indenture.

27. Successors and Assigns. The word "Mortgagee" hereunder means the Mortgagee named herein or any successor in interest thereto. This Mortgage is binding upon and inures to the benefit of any successor to or assignee of any party hereto.

28. Rules of Construction. Except as otherwise specifically provided in this Mortgage, the singular of any term shall include the plural; the use of any term shall be equally applicable to any gender; "or" shall not be exclusive; and "including" shall not be limiting. Specific enumeration of rights, powers and remedies of Mortgagee and of acts which they may do and of acts to be done and not to be done by Mortgagor is not to be deemed to exclude or limit the general. The captions, headings and arrangements used in this deed of trust are for convenience only and do

not in any way affect, limit, amplify or modify the terms and provisions hereof.

29. Litigation Rights. To the extent authorized in the Collateral Agreement and Indenture, Mortgagee shall have the right (a) to appear in and defend any action or proceeding, in the name and on behalf of Mortgagor which Mortgagee, in its sole discretion, determines may adversely affect the Property or this Mortgage; and (b) to institute any action or proceeding which Mortgagee, in its discretion, feels should be brought to protect its interest in the Property or their respective rights hereunder. All costs and expenses incurred by Mortgagee in connection with such actions or proceedings, including, without limitation, reasonable attorneys' fees and costs, shall be paid by Mortgagor, on demand.

30. Attorneys' Fees. Subject to the provisions of the Plan, Collateral Agreement, and Indenture, Mortgagor shall be liable for any attorneys' fees or costs incurred by Mortgagee with regard to the collection, perfection or enforcement of any right or remedy provided for herein.

31. Severability. If any term of this Mortgage or the application thereof to any person or circumstances shall to any extent be invalid, illegal or unenforceable, the remainder of this Mortgage shall not be affected thereby and each term of this Mortgage shall be valid and enforceable to the fullest extent permitted by law and to persons or circumstances other than those as to which it is invalid, illegal and unenforceable.

32. Merger. The lien of this Mortgage shall not merge with the lien of any other mortgage or deed of trust created by Mortgagor or the then record owner of the Property for the benefit of Mortgagee or otherwise held or acquired by Mortgagee and encumbering all or any portion of the Property.

33. Applicable Law and Jurisdiction. This Mortgage and the rights and remedies of the parties hereto in respect of the Property shall be governed by, and construed and interpreted in accordance with, the internal laws (as opposed to conflicts of law provisions) of the State of Indiana. The parties hereto hereby submit to the jurisdiction of the courts of the State of Indiana.

34. Notices. Whenever it is provided herein that notice, demand, request, consent, approval or other communication shall or may be given to or served upon either Mortgagor or Mortgagee by the other, or whenever either of such parties desire to give or serve upon the other any notice, demand, request, consent, approval or other communication with respect to this Mortgage or to the Property, each such notice, demand, request, consent, approval or other communication shall be in writing (including by telex transmission) and shall be deemed to have been sufficiently given or served for all purposes when actually delivered or, in the case of telex notice, when sent, answerback received, or in the case of

telex notice, when sent, answerback received, or in the case of notice by facsimile transmission, when received and telephonically confirmed in the manner set forth in the Collateral Agreement and Indenture, or to such other address as may be substituted by notice given as herein provided.

35. Releases. This Mortgage is subject to being released in whole or in part upon the happening of certain events, as more fully set forth in the Collateral Agreement and Indenture.

36. Consistency with Plan and Indenture. The parties hereto agree that all actions taken by the parties hereto and all interpretations of all terms and provisions hereof shall be taken or interpreted (as the case may be) in a manner consistent with the Plan and Indenture. The provisions of section 33, above, are hereby deemed to be consistent with the Plan and Indenture.

37. Execution of this Mortgage. This Mortgage has been executed on behalf of the Mortgagor by James A. Dalton in his capacity as a trustee and officer of Mortgagor. As provided in section 7.02 of the declaration of trust of Mortgagor, no trustee, officer, agent or shareholder of Mortgagor shall be bound or held to any personal liability in connection with the obligations of Mortgagor arising out of the execution of this Mortgage. The execution of this Mortgage by the said individual shall not bind the said individual and he shall not be held to any personal liability in connection with the obligations under this Mortgage as a result of such execution.

38. Mortgagor's Request. Mortgagor hereby requests that a copy of any notice of default and any notice of sale hereunder be mailed to it at its address set forth on the first page of this Mortgage.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage as of the day and year set forth above.

MORTGAGE AND REALTY TRUST,
a Maryland real estate investment
trust

Witness:

Clarence N. Morans

By:

James A. Dalton

Name:

James A. Dalton

Title:

Executive Vice President

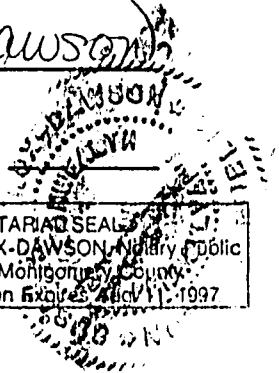
COMMONWEALTH OF PENNSYLVANIA)
) : ss.
COUNTY OF MONTGOMERY)

On this 9th day of April, 1994, personally appeared before me James A. Dalton, to me personally known, who, being by me duly sworn, did say that he is Executive Vice President of MORTGAGE AND REALTY TRUST, a Maryland real estate investment trust, and that the foregoing Mortgage, Assignment of Rents, Security Agreement and Fixture Filing was signed and sealed on behalf of Mortgage and Realty Trust by authority of its Board of Trustees, and said Executive Vice President acknowledged the foregoing to be the free act and deed of Mortgage and Realty Trust.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.

NOT OFFICIAL!
This Document is the property of
the Lake County Recorder!
My Commission Expires:

Susan M. Knox-Dawson
Notary Public



This instrument was prepared by:
Elaine N. Moranz, Esquire
Fox, Rothschild, O'Brien & Frankel
2000 Market Street, Tenth Floor
Philadelphia, PA 19103-3291



LEGAL DESCRIPTION

Parcel 1: Lots 1 to 38, both inclusive, Block 1, Flosmoor addition to Hammond, as shown in Plat Book 20, Page 31, in Lake County, Indiana, together with the East half of vacated Birch Street adjoining Block 1 on the West, and together with the vacated East-West alley and the vacated North-South alley shown on said plat of subdivision.

Parcel 2: Lots 1 to 32, both inclusive, Block 5, Flossmoor addition to Hammond, as shown in Plat Book 20, Page 31, in Lake County, Indiana, together with the West half of vacated Birch Street adjoining Block 5 on the East, and together with the vacated East-West alley and the vacated North-South alley shown on said plat of subdivision.



EXHIBIT "A"

Exhibit B

Tenant Leases

All space leases entered into by Mortgage and Realty Trust and third parties with respect to the Land.

