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MALAN REALTY INVESTORS, INC.
(Mortgagor)

to

NATIONAL WESTMINSTER BANK Plc, New York Branch
(Mortgagee)

HOLD FOR FIRST AMERICAN TITLE

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MORTGAGE, ASSIGNMENT OF LEASE AND RENTS, SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT

STOP

Dated: November 30, 1994

Location: Merrillville, Indiana

RECORD AND RETURN TO:



Stroock & Stroock & Lavan
7 Hanover Square
New York, New York 10004
Attention: William Campbell, Esq.

File No.:

Title No.:

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WHEN RECORDED RETURN TO:
COMMONWEALTH LAND TITLE
INSURANCE COMPANY
NTS DIVISION
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**MORTGAGE,
ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT
AND FIXTURE FINANCING STATEMENT**

A POWER OF SALE HAS BEEN GRANTED IN THIS MORTGAGE. A POWER OF SALE MAY ALLOW THE MORTGAGEE TO TAKE THE MORTGAGED PROPERTY COLLATERAL AND SELL IT WITHOUT GOING TO COURT IN A FORECLOSURE ACTION UPON DEFAULT BY THE MORTGAGOR UNDER THIS MORTGAGE.

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (this "Mortgage"), made and entered into by MALAN REALTY INVESTORS, INC. a Michigan corporation whose office and place of business is 30200 Telegraph Road, Suite 105, Birmingham, Michigan 48025 ("Mortgagor") to and for the benefit of NATIONAL WESTMINSTER BANK Plc, New York Branch, a Branch duly licensed under the laws of the State of New York of a public limited company organized under the laws of the United Kingdom, having an office and place of business at 175 Water Street, New York, New York 10038 ("Mortgagee").

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RECITAL

WHEREAS:

A. The Mortgagor is the owner of the fee simple interest in the real property described on Exhibit A hereto (the "Land").

B. On the date hereof, Mortgagor and Mortgagee have entered into a certain Credit Agreement (the "Credit Agreement") which provides for, among other things, (i) the making of certain loans (collectively, the "Loan") by Mortgagee to Mortgagor, in the maximum aggregate principal amount of Fifty Four Million Dollars (\$54,000,000), (ii) the execution and delivery by Mortgagor to Mortgagee of a certain Mortgage Note (the "Mortgage Note") of even date herewith in the principal amount of \$54,000,000 as evidence of the Loan, and (iii) if the Conversion Date (as defined in the Credit Agreement) shall occur, the assignment by Mortgagee of its interest in and to the Mortgage Note, this Mortgage, and such other mortgages, assignments of rents and leases, security agreements and other instruments executed and delivered in favor of or for the use and benefit of Mortgagee pursuant to the Credit Agreement (all of the documents described in this clause (iii) being hereinafter referred to as the "Loan Documents") to Malan Depositor, Inc., a Michigan corporation ("Depositor"), and (iv) immediately after the assignment described in clause (iii), above, the assignment by Depositor of the Loan Documents to a trustee (the "REMIC Trustee") for the benefit of holders of


pass-through certificates in a trust (the "REMIC Trust") to be established by the Depositor.

C. Mortgagor intends by the execution and delivery of this Mortgage to secure the full payment and performance of the obligations set forth in the Mortgage Note, the Credit Agreement and the other Loan Documents (all of the foregoing obligations being hereinafter referred to as the "Indebtedness").

D. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

E. Mortgagor and Mortgagee intend these Recitals to be a material part of this Mortgage.

GRANTING CLAUSE

NOW, THEREFORE, Mortgagor for and in consideration of the sum of Ten (\$10.00) Dollars and other valuable consideration in hand paid, the receipt whereof is hereby acknowledged, and the further consideration, uses, purposes and trusts herein set forth and declared, has granted, bargained, sold, transferred, assigned, set-over and conveyed and by these presents does grant, bargain, sell, transfer, assign, set-over and convey unto Mortgagee and unto its successors and assigns, forever, all of Mortgagor's right, title and interest in and to the following (all being hereinafter called the "Mortgaged Property Collateral"): 

The Land;

TOGETHER with all right, title and interest of Mortgagor, including any after-acquired title or reversion, in and to the beds of ways, roads, streets, avenues and alleys adjoining the said property and in and to all strips, gaps and gores adjoining the Land on all sides thereof, and all and singular tenements, hereditaments, easements, appurtenances, passages, waters, water rights, water courses, riparian rights, other rights, liberties and privileges thereof or in any way now or hereafter appertaining, including homestead or any other claim at law or in equity as well as any after-acquired title, franchise, or licenses and the reversion and reversions, remainder and remainders thereof including, but not limited to, those specifically set forth on Exhibit A hereto (all of the foregoing being hereinafter referred to collectively as the "Appurtenances");

TOGETHER with all buildings and improvements of every kind and description now or hereafter erected or placed thereon, and all materials owned by Mortgagor intended for construction, reconstruction, alterations and repairs of

such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the Premises immediately upon the delivery thereof to the Land, and all fixtures and articles of personal property now or hereafter owned by Mortgagor and attached to or contained in and used in connection with the Premises, including but not limited to, all furniture, furnishings, apparatus, machinery, motors, elevators, fittings, radiators, gas ranges, refrigerators, awnings, shades, screens, office equipment, blinds, carpeting and other furnishings, and all plumbing, heating, lighting, cooking, laundry, ventilating, refrigerating, incinerating, air-conditioning and sprinkler equipment and fixtures and appurtenances thereto; and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to said building or buildings in any manner (all of the foregoing shall hereinafter be collectively referred to as the "Improvements"; the Land, the Appurtenances and the Improvements shall hereinafter be collectively referred to as the "Premises"); it being mutually agreed that all aforesaid property owned by Mortgagor and placed by it on said Premises shall, so far as permitted by law, be deemed to be fixtures and a part of the realty, security for the Indebtedness and covered by this Mortgage and as to the balance of the aforesaid property, this Mortgage is hereby deemed to be as well a Security Agreement for the purpose of creating hereby a security interest in said property, securing the Indebtedness, for the benefit of Mortgagee;

TOGETHER with, to the extent the same may be encumbered or assigned by Mortgagor pursuant to the terms thereof, all right, title and interest of Mortgagor in, to and under all accounts, escrows (as required by the Loan Documents), documents, instruments, chattel paper, and general intangibles, as the foregoing terms are defined in the Uniform Commercial Code as in effect from time to time in the State in which the Land is located (the "Code"), and all contract rights, franchises, books, records, plans, specifications, permits, licenses (to the extent assignable), approvals, actions and causes of action which now or hereafter relate to, are derived from or used in connection with the Premises or the use, operation, maintenance, occupancy or enjoyment thereof or the conduct of any business or activities thereon;

TOGETHER with all right, title and interest of Mortgagor in, to and under all leases, lettings, tenancies and licenses (to the extent assignable) of the Premises or any part thereof now or hereafter entered into and all amendments, extensions, renewals and guaranties thereof, all security therefor, and all moneys payable thereunder;

TOGETHER with all rents, income, issues, profits, security deposits, tax refunds, trademarks, tradenames, logos, licenses, patents and other benefits to which Mortgagor may now or hereafter be entitled from the Premises or under or in connection with the leases, lettings, tenancies and licenses of the Premises including without limitation all income received from tenants, transient guests, lessees, licensees and concessionaires and other persons occupying space at the Premises or rendering services to the Premises' tenants; and

TOGETHER with all proceeds, judgments, claims, compensation, awards of damages and settlements payable to Mortgagor with respect to or hereafter made as a result of or in lieu of any condemnation or taking of the Premises by eminent domain or any casualty loss of or damage to any of the foregoing, all refunds payable to Mortgagor with respect to the payment of property taxes and assessments, and all other proceeds payable to Mortgagor of the conversion, voluntary or involuntary, of any of the foregoing;

TOGETHER with the rents, issues, proceeds and profits of any of the foregoing;

TO HAVE AND TO HOLD the Mortgaged Property Collateral, with all the privileges and appurtenances to the same belonging, and with the possession and right of possession thereof, unto Mortgagee, and to its assigns forever, subject, however, to the terms and conditions set forth herein.

NOW, THEREFORE, FURTHER, Mortgagor covenants as follows:

1. Definitions. For all purposes of this Mortgage:

Allocated Amount shall have the meaning set forth in the Credit Agreement.

Alteration shall have the meaning stated in Paragraph 7(b).

Appurtenances shall have the meaning stated in the Granting Clause.

Architect shall mean an architect or engineer, as appropriate for the project to be evaluated, duly licensed or registered in the state where the Premises is located, selected by Mortgagor (unless reasonably disapproved by Mortgagee), or an officer of Mortgagor whose duties include the supervision of construction work.

Assignment of Rents shall have the meaning stated in Paragraph 13 hereof.

Authorized Officer shall mean, with respect to any Person which is a corporation, any president, vice president, secretary, treasurer, assistant vice president, assistant secretary or assistance treasurer who is authorized to act for such Person in matters relating to and binding, such Person.

Bankruptcy Code shall have the meaning stated in the Credit Agreement.

Business Day shall have the meaning stated in the Credit Agreement.

Cash shall mean the coin or currency of the government of the United States.

Casualty Threshold Amount shall mean the sum of \$1,000,000.

Closing Date shall have the meaning stated in the Credit Agreement.

Collection Account shall have the meaning stated in the Collection Account Agreement.

Collection Account Agreement shall mean that certain Collection Account Agreement to be entered into as of the Conversion Date by and among Malan Sub, (as defined in the Credit Agreement) as Mortgagor, REMIC Trustee, as trustee and account agent, and Malan Realty Investors, Inc. as Property Manager.

Credit Facility means a Letter of Credit or Surety Bond in respect of which Mortgagor's reimbursement obligation is not secured by the Mortgaged Property Collateral or any other collateral for the Indebtedness, or cash reserves of Mortgagor or the Property Manager which are pledged to Mortgagee. Mortgagor shall have sole discretion as to the type of Credit Facility to be delivered pursuant to this Mortgage, provided that such type of Credit Facility is reasonably suited for its intended purpose and is in form reasonably acceptable to Mortgagee. Each Credit Facility delivered pursuant to this Mortgage shall serve as additional security for the repayment of the Indebtedness.

Current Accrual Period shall have the meaning stated in the Collection Account Agreement.

Default shall mean any condition or event that, provided notice has been given, would constitute an "Event of Default" hereunder or under the other Loan Documents with the lapse of time.

Default Rate shall have the meaning stated in the Credit Agreement.

Depositor shall have the meaning stated in the Recital.

Event of Default shall have the meaning stated in Paragraph 37 hereof.

Excusable Delay shall mean a delay due to acts of God, governmental restrictions, enemy actions, war, civil commotion, fire, casualty, strikes, shortages of supplies or labor, work stoppages or other causes beyond the reasonable control of Mortgagor, but lack of funds shall not be deemed a cause beyond the reasonable control of Mortgagor.

Impositions shall have the meaning stated in Paragraph 4 hereof.

Improvements shall have the meaning stated in the Granting Clause.

Indebtedness shall have the meaning stated in the Recital.

Insurance and Lease Requirements shall mean any and all present and future rules, regulations, duties or obligations of any kind required by (i) policies of insurance at any time in force with respect to the Premises and (ii) any Lease.

Investment Grade shall mean having a long term unsecured debt rating not lower than that listed below from each statistical rating agency listed below which actually provides a rating for the REMIC Certificates upon their issuance, selected by Mortgagor for the purposes of rating the REMIC Certificates: Standard & Poor's Rating Group: BBB; Fitch Investors Services Inc.: BBB; Duff & Phelps Credit Rating Co.: BBB; Moody's Investors Services, Inc.: Baa3.

Land shall have the meaning stated in the Granting Clause.

Lease shall mean any lease, sublease, further sublease, license, occupancy agreement or other agreement existing on the date hereof or hereafter entered into by Mortgagor permitting the use or enjoyment of any part of the Premises, and every modification, amendment, or extension relating thereto.

Legal Requirements shall mean any and all (i) present and future laws, ordinances, rules, regulations and requirements (including, environmental laws, ordinances, rules, regulations and requirements) of every duly constituted governmental or quasi-governmental authority or agency applicable to Mortgagor or the Premises, (ii) similarly applicable orders, rules and regulations of any regulatory, licensing, accrediting, insurance underwriting or rating organization or other body exercising similar functions, and (iii) similarly applicable duties or obligations of any kind imposed under any Permitted Encumbrance or otherwise by law, covenant, condition, agreement or easement, public or private.

Letter of Credit shall mean a clean, irrevocable, unconditional transferable letter of credit in favor of Mortgagee (which will be the REMIC Trustee upon assignment of the Loan Documents to the REMIC Trustee) and entitling the Mortgagee to draw thereon in New York, New York, in such other city as the corporate trust office of the REMIC Trustee may from time to time be located of the city in which the issuing bank is located, issued by a domestic bank or the U.S. agency or branch of a foreign bank the investment rating of which at the time such letter of credit is delivered is not less than the Required Rating applicable thereto, or if there are no domestic banks or U.S. agencies or branches of a foreign bank having such investment rating then issuing letters of credit and if there are no provisions of surety bonds that meet the claims paying ability rating criteria as set forth under the definition of Surety Bond, then such letter of credit may be issued by a domestic bank, the long term unsecured debt rating of which is the highest such rating then given to a domestic commercial bank.

Lien shall have the meaning set forth in the Credit Agreement.

Loan shall have the meaning stated in the Recital.

Major Space Leases shall have the meaning set forth in the Credit Agreement.

Malan Sub shall have the meaning set forth in the Credit Agreement.

Material Alteration shall have the meaning stated in Paragraph 7(b).

Maximum Foreseeable Casualty Loss shall have the meaning stated in Exhibit B.

Mortgage shall mean this Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Financing Statement, as amended or supplemented from time to time pursuant to the provisions hereof.

Mortgaged Properties shall have the meaning stated in the Credit Agreement.

Mortgage Note shall have the meaning stated in the Recital.

Mortgaged Property Collateral shall have the meaning stated in the Granting Clause.

Mortgagee's Architect shall mean an architect or engineer, as appropriate for the project to be evaluated, who is duly licensed or registered in the state where the Premises is located, and is selected by the Mortgagee.

Multiple Premises Threshold shall have the meaning stated in Paragraph 7(b) hereof.

Non-Disturbance Agreement shall have the meaning stated in Paragraph 13(c) hereof.

Officers' Certificate shall mean a certificate signed on behalf of a Person by an Authorized Officer of such Person.

Operating Agreements shall have the meaning stated in the Credit Agreement.

Payment Amount shall have the meaning stated in the Credit Agreement.

Permitted Encumbrances shall have the meaning stated in Paragraph 3(a) hereof.

Person shall have the meaning stated in the Credit Agreement.

Premises shall have the meaning stated in the Granting Clause.

Proceeds shall mean amounts, awards or payments payable to Mortgagor or Mortgagee in respect of all or any part of the Premises in connection with the damage, destruction or Taking thereof (after the deduction therefrom and payment to Mortgagor, and Mortgagee, respectively, of any and all reasonable expenses incurred by Mortgagor, or Mortgagee in the recovery thereof, including all attorneys' fees and expenses, the fees of insurance experts and adjusters and the costs incurred in

any litigation or arbitration with respect to such damage, destruction or Taking), and any earnings thereon.

Property Cash Flow has the meaning set forth in the Credit Agreement.

Property Revenues shall have the meaning set forth in the Credit Agreement.

Qualified Fire Protection Engineer shall mean (a) an engineer duly licensed in the state where the Premises is located who shall either (x) have 10 years' experience evaluating fire and life safety systems and making estimates comparable to the estimates described in Exhibit B hereto or (y) be certified as a qualified fire protection engineer (or equivalent) by a professional, trade or other, similar association of recognized standing, (b) a reputable insurance broker having an in-house engineering and loss control group capable of making estimates comparable to the estimates described in Exhibit B hereto, or (c) an insurer meeting the criteria set forth in Exhibit B hereto or a qualified employee thereof, in each case selected by Mortgagor (unless reasonably disapproved by Mortgagee).

Rating Test shall be satisfied if each of the Rating Agencies has confirmed in writing that a specified action can be taken without resulting in a downgrade of the rating assigned by it to the REMIC Certificates.

REMIC Trust shall have the meaning stated in the Recital.

REMIC Trustee shall have the meaning stated in the Credit Agreement.

Rents shall mean all rents, income, issues and profits arising from the Leases.

Required Rating shall mean a long term unsecured debt rating not lower than Investment Grade in all cases except in the case of a Credit Facility delivered in accordance with Paragraphs 5(i) or 7(d) hereof, and in such excepted case shall mean the following ratings of each of the following statistical rating agencies actually rating the REMIC Certificates upon their issuance: (i) provided that the maturity of the Credit Facility does not exceed one year, not lower than A-1+ by Standard and Poor's Rating Group, F-1+ by Fitch Investors Service, Inc., D-1+ by Duff & Phelps Credit Rating Co., and P-1 by Moody's Investors Service, Inc.; and (ii) otherwise, a long term debt rating not lower than AA by Standard & Poor's Rating Group, Fitch Investors Service, Inc. or Duff & Phelps Credit Rating Co. or Aa by Moody's Investor Services, Inc.

Restoration shall mean, in case of damage to or destruction or Taking of the Premises or any part thereof, the restoration, replacement or rebuilding of the Premises as nearly as practicable (after taking into account the consequences of a Taking, if any) to at least its value and utility (in light of commercial materials and services then available) immediately prior to such damage, destruction or Taking, together with such alterations as may be made at Mortgagor's election in accordance with the applicable provisions of this Mortgage.

Single Premises Threshold shall have the meaning stated in Paragraph 7(b).

Surety Bond shall mean a clean, irrevocable, unconditional surety bond in favor of Mortgagee (which will be the REMIC Trustee upon the assignment of the Loan Documents to the REMIC Trustee) and entitling Mortgagee to draw thereon in New York, New York or in the city in which the Corporate Trust Office of the REMIC Trustee may from time to time. This Document is the property of the Lake County Recorder. The Document is not to be used for any other purpose. A stamp from the Lake County Recorder is visible over the text.

shall mean a clean, irrevocable, unconditional surety bond in favor of Mortgagee (which will be the REMIC Trustee upon the assignment of the Loan Documents to the REMIC Trustee) and entitling Mortgagee to draw thereon in New York, New York or in the city in which the Corporate Trust Office of the REMIC Trustee may from time to time issue by a domestic insurance company the claims paying ability rating of which at the time such surety bond is delivered is not less than the Required Rating applicable thereto, or if there are no insurance companies with such claims paying ability rating then issuing surety bonds and if there are no domestic banks or U.S. agencies or branches of a foreign bank, or bank holding companies with a subsidiary, issuing letters of credit that meet comparable rating criteria as set forth under the definition of Letter of Credit, then such surety bond may be issued by a domestic insurance company the claims paying ability rating of which is the highest such rating then given to a domestic insurance company.

Taking shall mean a temporary or permanent taking by a government or political subdivision thereof or by a governmental agency, as the result or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, of all or any part of the Mortgaged Property Collateral, or any interest therein or right accruing thereto, including any right of access thereto or any change of grade affecting the Land or any part thereof.

Tenant shall mean any Person liable by contract or otherwise to pay rent pursuant to a Lease.

Total Loss shall mean damage or destruction of the Premises by fire or other casualty (including earthquake) which (i) renders more than 50% of the rentable area of the Improvements unsuitable for occupancy or (ii) is of such a nature that it is impracticable to restore the Premises to substantially the same condition as existed prior to such casualty.

Total Taking shall mean a permanent Taking of (i) more than 50% of the rentable area of the Premises or (ii) or so much of the Premises such that it would be impracticable in the reasonable judgment of Mortgagor, even after Restoration, to operate the Premises as an economically viable shopping center property.

U.S. Government Securities shall mean securities evidencing an obligation to timely pay principal and interest in a full and timely manner that are (x) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (y) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of and guaranteed as a full faith and credit obligation by the United States of America, which in either case are not callable or redeemable at the option of the issuer thereof (including a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act of 1933, as amended) as custodian with respect to any such U.S. Government Securities) provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the securities or the specific payment of principal of or interest on the securities evidenced by such depository receipt).

2. Payment of the Indebtedness. Mortgagor shall promptly pay the Indebtedness at the time and in the manner set forth herein and in the Loan Documents.

3. Warranty of Title; Collateral for Entire Indebtedness.

(a) Mortgagor represents, warrants and covenants that Mortgagor has and will continue to have, subject only to such liens and encumbrances set forth as exceptions to the title insurance policy insuring this Mortgage, and such other exceptions as Mortgagee may from time to time consent to in writing, other than standard printed exceptions (hereinafter collectively referred to as the "Permitted Encumbrances"), good and insurable title in the fee simple estate in the Mortgaged Property Collateral, and hereby further covenants and warrants the following with respect to the Mortgaged Property Collateral:

(i) lawful seisin of an indefeasible estate in fee simple to the Premises and to the improvements located thereon and good and insurable title, subject to the Permitted Encumbrances for the Premises;

(ii) Mortgagor has good and legal right, power, and authority to convey the fee simple estate of the Premises covered by this Mortgage;

(iii) Mortgagor will for so long as the Indebtedness remains outstanding warrant and defend the title of the fee simple estate covered by this Mortgage and the lien and priority of this Mortgage against the lawful claims and demands of all Persons whomsoever, subject to the Permitted Encumbrances for such Mortgaged Property Collateral;

(iv) Mortgagor will execute, acknowledge, and deliver to Mortgagee any further assurances of the title to the fee simple estate covered by this Mortgage as may be reasonably requested by Mortgagee; and

(v) upon due recordation, this Mortgage shall create a valid and enforceable first Lien on the Mortgaged Property Collateral, as security for the payment of the Indebtedness by the Mortgagor, among other things, by the Mortgage Note, subject only to the Permitted Encumbrances.

(b) Mortgagor hereby further warrants and covenants that this Mortgage constitutes a mortgage and security agreement encumbering the Mortgaged Property Collateral upon the terms and conditions set forth herein to secure the entire Indebtedness.

4. Taxes and Other Charges. (a) Mortgagor shall keep the Premises free from Liens (other than the Lien hereof and Permitted Encumbrances) of every kind; subject to any rights of contest as set forth herein, pay, before delinquency and before any penalty for nonpayment attached thereto all taxes, assessments, water rates, sewer rentals and other governmental or municipal or public dues, charges, fines or impositions (hereinafter collectively referred to as "Impositions") which are or may be levied against the Premises or any part thereof; and deliver to Mortgagee before delinquency receipted bills evidencing payment therefor.

(b) In the event of the passage after the date of this Mortgage of any law of the state in which the Premises is located deducting from the value of land for the purposes of taxation of any lien thereon or changing in any way the laws for the taxation of mortgages or deeds of trust or debts secured by mortgages or deeds of trust for state or local purposes, or the manner of the collection of any such taxes so as to impose a tax upon or otherwise to affect this Mortgage, or upon the rendition by any court of competent jurisdiction of a decision that any undertaking by Mortgagor, as in this paragraph provided, is legally inoperative, then in any such event, the Indebtedness, upon sixty (60) days written notice from Mortgagee to Mortgagor, shall become immediately due, payable and collectible, provided,

however, said option and right shall be unavailing and the Mortgage Note and this Mortgage shall remain in effect in any event, if Mortgagor lawfully may pay all such taxes, assessments and charges, including interest and penalties thereon, to or for Mortgagee and Mortgagor does in fact pay same before delinquency.

(c) In the event Mortgagor desires to protest the validity, amount or application of any Imposition levied against the Premises or any part thereof, which rights Mortgagor shall have hereunder, Mortgagor shall either (i) pay such Imposition before delinquency under protest in the manner prescribed by law or (ii) deposit into the Collection Account and instruct Mortgagee to hold therein such sums as are necessary to pay such Impositions, provided that Mortgagor's rights under clause (ii) above shall only be available to the extent that such protest or contest shall preclude enforcement of collection and the sale of the Premises in satisfaction of such Imposition and in the event such protest or contest may result in a penalty, Mortgagor shall likewise deposit monthly pro-rata into the Collection Account, such penalty, in this document is the property of

5. Insurance. (a) Mortgagor shall maintain or cause to be maintained, with insurers authorized to issue insurance in the state where the Premises is located, insurance coverage as described in Exhibit B hereto and shall pay in a timely manner all premiums due in connection therewith.

(b) Each policy of insurance maintained in respect of Mortgagor and/or the Premises pursuant to Paragraph 5(a) shall (i) except in the case of workers' compensation insurance, name Mortgagor as insured and name Mortgagee (which, upon the assignment of the Loan Documents to the REMIC Trustee, shall be the REMIC Trustee) as additional insured or as loss payee, as appropriate; (ii) except in the case of public liability insurance and workers' compensation insurance, provide that all proceeds thereunder shall be payable to Mortgagee pursuant to a standard first mortgagee endorsement, without contribution, and that adjustment and settlement of any loss above the Casualty Threshold Amount shall be subject to the reasonable approval of Mortgagee; (iii) include effective waivers by the insurer of all claims for insurance premiums against all loss payees, additional insureds and named insureds (other than Mortgagor) and, to the extent available at commercially reasonable rates, all rights of subrogation against any loss payee, additional insured or named insured; (iv) permit Mortgagee to pay the premiums and continue any insurance upon failure of Mortgagor to pay premiums when due, upon the insolvency of Mortgagor or through foreclosure or other transfer of title to the Premises; (v) except in the case of public liability and workers' compensation insurance, provide that the insurance shall not be impaired or invalidated by virtue of any act, failure to act, negligence of, or violation of declarations, warranties or

conditions contained in such policy by Mortgagor or Mortgagee or any other named insured, additional insured or loss payee, except for the willful misconduct of Mortgagee knowingly in violation of the conditions of such policy; (vi) be subject to a deductible, if any, not greater in any material respect, in proportion to the coverage maintained, than such deductible as is consistent with the prudent business practices of owners of comparable properties in the general vicinity of the Premises, but in no event except in the case of the insurance described in clause (g) of Exhibit B hereof in excess of \$25,000; and (vii) provide that if all or any part of such policy shall be canceled or terminated, or shall expire, the insurer will forthwith give notice thereof to each named insured, additional insured and loss payee and that no cancellation, termination, expiration, reduction in amount of, or material change (other than an increase) in, coverage thereof shall be effective until at least thirty days after receipt by each named insured, additional insured and loss payee of written notice thereof.

(c) Mortgagor will deliver to Mortgagee on or prior to the Closing Date, certificates setting forth in reasonable detail the material terms (including any applicable notice requirements) of all insurance policies that Mortgagor is required to maintain hereunder, from the respective insurance companies that issued such policies. Mortgagor will deliver to Mortgagee, concurrently with each material change in or renewal of any insurance policy covering any part of the Premises required to be maintained by Mortgagor hereunder, a certificate with respect to such changed or renewed insurance policy certified by the insurance company issuing such policy, in the same form and containing the same information as the certificates required to be delivered by Mortgagor pursuant to the first sentence of this Paragraph 5(c) and stating that all premiums then due thereon have been paid to the applicable insurers and that the same are in full force and effect (or if such certificate and report shall not be obtainable by Mortgagor, Mortgagor may deliver a certificate of an officer of Mortgagor to such effect in lieu thereof).

(d) As soon as practicable prior to, but in no event later than, the date immediately preceding the date of expiration, termination or cancellation of any insurance policy which Mortgagor is required to maintain hereunder, Mortgagor shall obtain a replacement policy or policies (or a binding commitment for such replacement policy or policies), which shall be effective no later than the date of the expiration, termination or cancellation of the previous policy, and shall deliver to Mortgagee a certificate in respect of such policy or policies in the same form (i) containing the same information as the certificates required to be delivered by Mortgagor pursuant to the first sentence of Paragraph 5(c), or a copy of the binding commitment for such policy or policies and (ii)

confirming that such policy complies with all the requirements of Paragraph 5(a).

(e) The insurance required under this Mortgage may, at the option of Mortgagor, be effected by blanket and/or umbrella policies issued to Mortgagor and, after the Conversion Date, the Property Manager covering the Premises and/or other properties and related personal property that are owned by Mortgagor and, after the Conversion Date, the Property Manager, provided that, in each case, the policies otherwise comply with the provisions of this Mortgage and allocate to the Premises, from time to time, the coverage specified by this Mortgage, without possibility of reduction or coinsurance by reason of, or damage to, any other property (real or personal) named therein. If the insurance required by this Mortgage shall be effected by any such blanket or umbrella policies, Mortgagor shall furnish to Mortgagee original policies or certified copies thereof, with schedules attached thereto showing the amount of the insurance provided under such policies which is applicable to the Premises.

(f) Mortgagor will not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained pursuant to Paragraphs 5(a) through (e), above.

(g) In case of any damage to or destruction of the Premises or any part thereof for any reason (which shall include earthquake for all purposes under this Mortgage), the Restoration of which is reasonably estimated to cost more than \$250,000, Mortgagor will promptly give written notice thereof to Mortgagee, generally describing the nature and extent of such damage or destruction.

(h) If no Event of Default or Default in the performance of any monetary obligation shall have occurred and be continuing, Mortgagee consents to the direct payment to Mortgagor of Proceeds up to the Casualty Threshold Amount paid on account of any damage to or destruction of the Premises (other than Proceeds paid in respect of the insurance described in clause (d) of Exhibit B hereto), to be applied in accordance with the provisions of this Paragraph 5. Mortgagor hereby irrevocably assigns to Mortgagee, as additional security, all Proceeds payable to Mortgagor on account of any damage to or destruction of all or any part of the Premises, and agrees to the payment to Mortgagee of all such Proceeds in excess of the Casualty Threshold Amount to be held and invested by Mortgagee as Mortgagor shall direct in accordance with the Collection Account Agreement, until applied by Mortgagee in accordance with the terms hereof. Mortgagor and Mortgagee each shall hold all Proceeds received by it pursuant to this Paragraph 5(h) (which shall not apply to any Proceeds payable under public liability insurance and workers' compensation insurance) in trust to be

applied first, to the extent required under this Mortgage, to the cost of Restoration in accordance with the provisions of this Mortgage (except that Proceeds paid in respect of the insurance described in clause (d) of Exhibit B hereto shall be paid into the Collection Account). The earnings, if any, which accrue from investment of any Proceeds shall remain in such trust account, less any expenses incurred by Mortgagee in investing such Proceeds and less the amounts required by Mortgagor to pay income taxes on such earnings as and when due, so long as no Event of Default or a Default shall have occurred and be continuing until such time as the Restoration has been completed at which time any remaining balance will be paid to Mortgagor. To the extent that this Mortgage provides for Proceeds to be held by Mortgagee and applied to a Restoration (including Restoration resulting from a Condemnation as provided in Paragraph 9 hereof), such Proceeds shall be paid by Mortgagee to Mortgagor at any time or from time to time, as such Restoration progresses, either to pay or to reimburse Mortgagor for expenditures made or then required to be made for Restoration, including payments to contractors, subcontractors, materialmen, suppliers, attorneys, engineers, architects or other Persons who have rendered services or furnished materials for such Restoration, subject to and reflecting customary retentions reasonably satisfactory to Mortgagee pending completion of the work, and all other costs and expenses actually incurred by Mortgagor in connection with such Restoration, upon the receipt by Mortgagee of an Officer's Certificate of Mortgagor dated not more than 30 days prior to the application for such withdrawal, requesting such payment or reimbursement and setting forth the work performed which is the subject of the application, the parties which performed the work and the actual cost thereof and a certificate of an Architect certifying performance of such work. The Mortgagee will pay to Mortgagor any remaining Proceeds held by it after the application of such Proceeds to the Restoration and the completion thereof. Mortgagor will, in good faith and with due diligence, subject to Excusable Delays, file and prosecute Mortgagor's claim for any such Proceeds and, subject to the provisions of this Paragraph 5(m) relating to the direct payment to Mortgagor of any Proceeds up to the Casualty Threshold Amount, will cause the same to be collected and paid over to Mortgagee, to be held and applied in accordance with the provisions of this Mortgage. Mortgagor hereby irrevocably authorizes and empowers Mortgagee, in the name of Mortgagor as its true and lawful attorney-in-fact, to file and prosecute such claim (with counsel reasonably satisfactory to Mortgagee at the expense of Mortgagor) and to collect and to make receipt for any such payment at any time (a) following Mortgagor's failure to perform its obligations under the preceding sentence and Mortgagee's notice to Mortgagor of Mortgagee's intention to act as such attorney-in-fact or (b) during the continuance of an Event of Default or Default in the performance of any monetary obligations. Mortgagee shall have the right to approve, such

approval not to be unreasonably withheld or delayed, any settlement which might result in any Proceeds in excess of the Casualty Threshold Amount, and Mortgagor will deliver or cause to be delivered to Mortgagee all instruments reasonably requested by Mortgagee to permit such approval. Mortgagor will pay all costs, fees and expenses reasonably incurred by Mortgagee pursuant to the provisions of this Paragraph 5(h) (including all reasonable attorneys' fees and expenses, the fees of insurance experts and adjusters and the reasonable costs incurred in any litigation or arbitration) in connection with any damage or destruction to the Premises and seeking and obtaining any payment on account thereof. Any costs incurred by Mortgagor pursuant to the preceding sentence shall be reimbursed to Mortgagor from Proceeds made available to Mortgagor or Mortgagee in connection with such damage or destruction pursuant to this Paragraph 5(h).

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(i) In the event that the damage or destruction (a) does not constitute a Total Loss or (b) does constitute a Total Loss, but Mortgagor has elected to effect the Restoration of the Premises in accordance with this Paragraph 5(i), Mortgagor shall be obligated, at its expense (whether or not the Proceeds are sufficient for such purpose), to effect the Restoration of the Premises, subject to Excusable Delays, and shall use all or a portion of such Proceeds (except for Proceeds under clause (d) of Exhibit B hereto) to the extent required, and Mortgagee shall make such Proceeds available to Mortgagor (all such Proceeds to be held by Mortgagor in trust, to be applied first to the payment of all costs incurred to effect the Restoration), for Restoration in accordance with the provisions of this Mortgage. In the event of a Total Loss, if Mortgagor elects to restore the Premises, Mortgagor shall prepare both a cost estimate and schedule for Restoration of the Premises and provide such estimate and schedule to the Mortgagee. In the event Mortgagee finds such schedule and estimate to be unreasonable, Mortgagee shall have the right to retain a Mortgagee's Architect at Mortgagor's sole cost and expense for the purposes of preparing such estimate and schedule, and the estimate and schedule prepared by such Mortgagee's Architect shall govern for all purposes under this Section 5(i). Mortgagor agrees to cooperate with and assist such Mortgagee's Architect in the preparation of such estimate and schedule. In the event that, after a Total Loss, (i) Mortgagor does not elect to restore the Premises, or (ii) Mortgagor elects to restore the Premises but (A) the schedule indicates that all the Restoration cannot be completed prior to the earlier to occur of (1) the date upon which the insurance described in clause (d) of Exhibit B hereto (plus any extension thereof obtained in addition to that so required) would be exhausted (and any Credit Facility delivered in lieu thereof or in addition thereto would have expired) and (2) the Term Loan Maturity Date, or (B) the Proceeds attributable to such Total Loss (together with any Credit Facility delivered to the Mortgagee in lieu thereof or in addition thereto) are

insufficient in amount to cover the estimated cost of Restoration, or (iii) the extent of this damage makes it impracticable to restore the Premises to substantially the same condition as existed prior to such casualty, all the Proceeds related to such Total Loss shall be applied to the prepayment (without premium) of the principal amount of the Indebtedness in accordance with the provisions of prepayments set forth in the Credit Agreement, up to the Allocated Amount related to the Premises in accordance with the provisions for prepayments set forth in the Credit Agreement. In the event Mortgagor is required or elects to apply the Proceeds to prepay Indebtedness (without premium), any Proceeds remaining after prepayment of the Allocated Amount related to the Premises shall be paid to Mortgagor. In the event that the Proceeds are insufficient to prepay the Allocated Amount related to the Premises in full (without premium) after Mortgagor elects or is obligated to so apply the Proceeds, Mortgagor shall continue to be obligated to pay immediately the amount of such insufficiency to Mortgagee until such amount is satisfied. An election by Mortgagor not to restore the Premises after a Total Loss shall be deemed to be an election to apply the Proceeds related thereto of the prepayment of the Indebtedness as aforesaid. In the event Mortgagor is obligated or elects to effect the Restoration of the Premises, Mortgagor shall promptly commence and complete the Restoration of the Premises in accordance with the provisions of this Mortgage, subject to Excusable Delays, and any Proceeds remaining after completion of such Restoration and delivery of a certificate of an officer of Mortgagor with respect to such Restoration substantially similar to that required under Paragraph 5(d) hereof shall be paid to Mortgagor.

(j) Notwithstanding anything contained herein to the contrary, prior to the Conversion Date or during the continuance of an Event of Default, (i) Mortgagee shall have the sole right and authority to collect, adjust, settle, contest or compromise any claim with respect to Proceeds arising from any casualty, and give proper receipts and acquittances therefor, and (ii) all Proceeds received with respect to any casualty shall be paid directly to Mortgagee and applied at Mortgagee's sole election, to the cost of Restoration from such casualty or to payment of the Indebtedness.

(k) Notwithstanding anything contained herein to the contrary, to the extent the Mortgaged Property Collateral is leased in whole or in part to KMart Corporation, a Michigan corporation ("KMart") or Wal-Mart Stores, Inc., a Delaware corporation ("Wal-Mart"), (a) Mortgagor shall not be responsible for carrying insurance that KMart and Wal-Mart are each required to carry in accordance with the terms of its Lease and (b) KMart and Wal-Mart shall each be entitled to receive and apply insurance proceeds to the cost of Restoration in accordance with the terms of its Lease.

6. Intentionally Omitted.

7. Maintenance of Premises. (a) Except as permitted in Paragraph 7(b) below, Mortgagor agrees that no Improvements shall be materially altered, removed or demolished without the express written consent of Mortgagee, nor, without first obtaining Mortgagee's express written consent therefor, shall any fixture (except trade fixtures or appliances) constituting part of the Mortgaged Property Collateral on, in or about the Premises be mortgaged, severed, removed or sold unless upon any such removal or severance the same are immediately replaced by fixtures or appliances of equal or better condition, and in the event of the demolition or destruction in whole or in part of any of the fixtures, chattels or articles of personal property covered hereby, Mortgagor shall promptly replace same by similar fixtures, chattels and articles of personal property at least equal in quality and condition to those replaced, free from any security interest in or encumbrance thereon or reservation of title thereto. Mortgagor shall not permit, commit or suffer waste, impairment or deterioration of the Premises or any part thereof subject to excusable delays or as otherwise permitted pursuant to the provisions of this Mortgage with regard to damage, destruction or a Taking. Mortgagor shall keep and maintain the Premises, including all Improvements, in good repair and condition, subject to ordinary wear and tear; effect such repairs as Mortgagee may reasonably require; from time to time make all needful and proper replacements so that all buildings, fixtures, machinery and appurtenances constituting part of the Mortgaged Property Collateral upon the Premises will at all times be in good condition, fit and proper for the respective purposes for which they were originally erected or installed; subject to any of Mortgagor's rights of contest as set forth herein, comply with all statutes, orders, requirements or decrees relating to the Premises by any Federal, State or Municipal authority, subject to the terms and conditions thereof, observe and comply with all conditions and requirements necessary to preserve and extend any and all easements, rights, licenses, permits (including but not limited to zoning variances, special exceptions and non-conforming uses), privileges, franchises and concessions which are applicable to the Premises or which have been granted to or contracted for by Mortgagor in connection with any existing or presently contemplated use of the Premises; and permit Mortgagee or its agents, at all reasonable times and subject to the rights of tenants, and upon reasonable prior notice, enter upon and inspect the Premises. All work at any time performed upon the Premises (including, but not limited, work related to a Material Alteration or Restoration) shall be performed with due diligence, in a good and workmanlike manner with materials of not less than the standards of quality of the materials currently used at the Premises, and in accordance with all applicable Legal Requirements and Insurance and Lease Requirements.

(b) After the Conversion Date, the Mortgagor may permit or undertake any structural or other alteration or improvement (except pursuant to Paragraph 5 or 9 hereof), demolition or removal of the Premises or any portion thereof if (i)(a) the cost of any such alteration, improvement, demolition or removal (each an "Alteration") individually or in the aggregate with all other Alterations then being undertaken and not completed at the Premises does not exceed the greater of (x) Two Hundred Fifty Thousand Dollars (\$250,000) or (y) five percent (5%) of the Allocated Amount with respect to the Premises ("Single Premises Threshold") or (b) the aggregate total cost of all Alterations then being undertaken and not completed at all of the Mortgaged Premises would exceed \$1,000,000 ("Multiple Premises Threshold") (any such Alteration or Alterations pursuant to the foregoing subclauses (i)(a) and (i)(b), a "Material Alteration") (provided that articles of personal property included within each Mortgaged Premises may be removed, provided same are replaced with similar items of equal or greater value), (ii) Mortgagor has delivered to Mortgagee prior written notice of such Alteration and an Officer's Certificate of Property Manager as to its good faith estimate of the cost to complete the same, and (iii) upon completion the Alteration (regardless of the cost of same) would not result in a material reduction of the value of the Mortgaged Property Collateral or materially adversely affect the Property Cash Flow derived from same. In addition, the Mortgagor may perform Material Alterations, subject to the requirements of Paragraph 7(d) below. Nothing contained in this Mortgage or the other Loan Documents shall affect, alter or impair the rights of tenants under Major Space Leases in existence as of the date hereof to perform alterations, at such tenants' expense, in accordance with the rights of such tenants pursuant to such Major Space Leases as of the date hereof.

(c) Notwithstanding anything to the contrary contained herein, if the cost of any structural or other Alteration of the Premises shall exceed the greater of Two Hundred Fifty Thousand (\$250,000) Dollars or two and one-half percent (2 1/2%) of the Allocated Amount with respect to the Premises, such Alteration shall be performed under the supervision of an Architect.

(d) Mortgagor may undertake a Material Alteration provided that no Event of Default or Default in any monetary obligation of Mortgagor is continuing and provided further that Mortgagor shall have delivered to the Mortgagee:

(i) an estimate of the cost of such Material Alteration prepared by an Architect;

(ii) an Officer's Certificate of Property Manager as to its good faith estimate of the cost to complete the same;

(iii) plans and specifications for such Material Alteration prepared by such Architect; and

(iv) a Credit Facility or Credit Facilities in the amount by which the total estimated cost of all Material Alterations exceed the Single Premises Threshold or the Multiple Premises Threshold, as the case may be.

(e) Provided no Event of Default or Default in any monetary obligation of Mortgagor is continuing, from time to time as any Material Alteration for which a Credit Facility has been furnished progresses, the amount of any Credit Facility so furnished may be withdrawn by Mortgagor and paid or otherwise applied by or returned to Mortgagor in an amount equal to the amount Mortgagor would be entitled to so withdraw if Paragraph 5(h) hereof were applicable, and any Credit Facility so furnished may be reduced by Mortgagor in an amount equal to the amount Mortgagor would be entitled to so reduce if Paragraph 5(h) hereof were applicable. At any time after substantial completion of any Material Alteration in respect whereof a Credit Facility was deposited pursuant hereto, the entire unutilized portion of such Credit Facility then remaining may be withdrawn by Mortgagor and shall be paid by Mortgagee to Mortgagor, and any Credit Facility so deposited shall, to the extent it has not been called upon, reduced or theretofore released, be released by Mortgagee to Mortgagor, within ten (10) days after receipt by Mortgagee of an Officers' Certificate confirming that:

(1) the Material Alteration in respect of which such Credit Facility was deposited, has been substantially completed in all material respects in accordance with any plans and specifications therefor previously delivered to Mortgagee under Paragraph 7(B) hereof;

(2) to the best knowledge of the certifying Person, all amounts which Mortgagor is or may become liable to pay in respect of such Material Alteration through the date of the certification have been paid in full or adequately provided for or are being contested in accordance with Paragraph 8 hereof;

(3) to the best knowledge of the certifying Person, such Material Alteration has not been performed in violation of any Legal Requirement and will not result in the loss of any certificate of occupancy;

(4) to the best knowledge of the certifying Person, the Premises, after giving effect to such Material Alteration, can be used for the purpose for which it was intended; and

(5) to the best knowledge of the certifying Person no Default or Event of Default has occurred and is continuing.

(f) Notwithstanding anything contained herein to the contrary, during the continuance of an Event of Default, Mortgagee may apply the proceeds of any Credit Facility delivered under this Paragraph 7 to the cost of any Material Alteration or the repayment of the Indebtedness.

8. Other Liens. Mortgagor agrees that, without the prior written consent of Mortgagee, Mortgagor shall not voluntarily create or otherwise permit to be created or filed against the Mortgaged Property Collateral any deed of trust lien, mortgage lien or other lien or liens inferior or superior to the lien of this Mortgage other than the Lien hereof and Permitted Encumbrances. Without limitation to the foregoing, Mortgagor agrees that it shall either (i) keep and maintain the Mortgaged Property Collateral free from the liens of all persons supplying labor or materials which will enter into the construction of any and all buildings or improvements now erected, being erected, or at any time hereafter erected on the Premises, notwithstanding by whom such labor or materials may have been contracted or (ii) in the event Mortgagor is in good faith and through appropriate proceedings, diligently contesting such claims, provide a bond sufficient to stay enforcement of and pay in full such claims.

9. Condemnation. (a) In the case of a Taking of all or any part of the Premises, or the commencement of any proceedings or negotiations which might result in any such Taking, Mortgagor will promptly give written notice thereof to Mortgagee, generally describing the nature and extent of such Taking or the nature of such proceedings or negotiations and the nature and extent of the Taking which might result therefrom. As additional security for the Indebtedness, Mortgagor hereby irrevocably assigns, transfers and sets over to Mortgagee, subject to the provisions of this Mortgage, all rights of Mortgagor to any Proceeds on account of any Taking, subject to the provisions of this Mortgage with respect to the use and application of any such Proceeds and provided that in the case of an amount of such Proceeds which is not more than \$1,000,000 if no Event of Default or a Default in the performance of a monetary obligation shall have occurred and be continuing, Mortgagor shall have the right to receive direct payment of such Proceeds, to be held and applied to the Restoration related to such Taking in accordance with the provisions of this Mortgage (all such Proceeds to be held by Mortgagor in trust, to be applied first to the payment of all costs incurred to effect such Restoration). If the amount of Proceeds is reasonably estimated by Mortgagor to exceed \$1,000,000, the settlement of any such proceeding and the amount of Proceeds payable in respect thereof shall be subject to the reasonable approval of Mortgagee. Mortgagor will in good faith and with due diligence, subject to Excusable Delays, file and prosecute Mortgagor's

claim for any such Proceeds and, subject to the provisions of the second sentence of this Paragraph 9(a), will cause the same to be collected and paid over to Mortgagee, to be held and applied in accordance with the provisions of this Mortgage. Mortgagor hereby irrevocably authorizes and empowers Mortgagee, in the name of Mortgagor as its true and lawful attorney-in-fact, to file and prosecute such claim (with counsel reasonably satisfactory to Mortgagee at the expense of Mortgagor) and to collect and to make receipt for any such award or payment at any time (a) following Mortgagor's failure to perform its obligations under the preceding sentence and Mortgagee's notice to Mortgagor of Mortgagee's intention to act as such attorney-in-fact or (b) during the continuance of an Event of Default or a Default in the performance of any monetary obligation. Mortgagee shall have the right to approve, such approval not to be unreasonably withheld, any settlement which may result in any Taking which might result in an award in excess of \$1,000,000 and Mortgagor will deliver or cause to be delivered to Mortgagee all instruments reasonably requested by Mortgagee to permit such approval. Mortgagor will pay all costs, fees and expenses reasonably incurred by Mortgagee (including all reasonable attorneys' fees and expenses, the fees of appraisers and the reasonable costs incurred in any litigation or arbitration) in connection with any Taking and seeking and obtaining any award or payment on account thereof. Any costs incurred by Mortgagor in accordance with the preceding sentence shall be reimbursed to Mortgagor from Proceeds made available to Mortgagor or Mortgagee in connection with such Taking pursuant to this Paragraph 9(a).

(b) In case of a Taking of the Premises other than a Total Taking, Mortgagor shall be obligated, at its expense (whether or not the Proceeds shall be sufficient for such purpose) to effect Restoration of the Premises in accordance with and to the extent required by the provisions of this Mortgage, subject to Excusable Delays.

(c) All Proceeds received by or payable to Mortgagee on account of a Taking shall be held and invested by Mortgagee until applied by Mortgagee as follows:

(1) All Proceeds (excluding the Proceeds on account of a Taking for temporary use) other than Proceeds received on account of a Total Taking shall be applied to the Restoration of the Premises as if such Proceeds were Proceeds of a casualty to be applied pursuant to Paragraph 5(h) and after the completion of the Restoration of the Premises, any balance of the Proceeds remaining (excluding the Proceeds on account of a Taking for temporary use or Proceeds which are not in respect of a diminution in value of the Premises) shall be applied as a partial prepayment (without premium) of the Indebtedness and all other sums; provided, however, in the case of a Taking that does not materially adversely affect the value of the Premises and results in Proceeds (after application of the cost of

Restoration) not exceeding \$500,000 if no Event of Default or Default in the performance of any monetary obligation shall have occurred and be continuing, such Proceeds shall be treated as Property Revenue and deposited in the Collection Account if required at such time.

(ii) All Proceeds received on account of a Total Taking of the Premises shall be applied to the payment of the Indebtedness (without premium) in accordance with the procedures set forth in the Credit Agreement, and the balance, if any, remaining after such application shall be paid over and assigned to Mortgagor.

(d) Notwithstanding anything contained herein to the contrary, prior to the Conversion Date or during the continuance of any Event of Default, (i) Mortgagee shall have sole authority, through counsel of its own choice, to adjust, settle, contest or compromise any claim associated with a Taking, receive any Proceeds with respect thereto and give proper receipts and acquittances therefor, and (ii) all Proceeds received with respect to a Taking shall be paid directly to Mortgagee and applied at Mortgagee's sole election, to the cost of Restoration from such Taking or to payment of the Indebtedness.

10. Successors. Mortgagor agrees that in the event the ownership of the Mortgaged Property Collateral or any part thereof becomes vested by operation of law or otherwise in a Person other than Mortgagor, Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest with reference to any of the terms, covenants, or conditions contained in this Mortgage and to the debt hereby secured in the same manner as with Mortgagor without in any way vitiating, releasing, modifying, affecting or discharging Mortgagor's liability hereunder or upon the debt hereby secured provided, however, that the foregoing shall not affect or impair any rights or benefits which Mortgagor may receive under that certain Release Agreement to be dated as of the Conversion Date. No sale or transfer of the Premises or release of any Person liable for any portion of the Indebtedness, and no forbearance on the part of Mortgagee and no extension of the time for the payment of the debt hereby secured given by Mortgagee shall operate to vitiate, release, discharge, modify, or affect the original liability of Mortgagor either in whole or in part.

11. Performance of Mortgagor's Obligations. Mortgagor agrees that, during the continuance of any Event of Default, Mortgagee may, at its option, and whether electing to declare the whole Indebtedness due and payable or not, perform any terms, covenants, or conditions contained herein or in the other Loan Documents which have not been performed by Mortgagor without waiver of any other remedy, and any amount paid or advanced by Mortgagee in connection therewith, or any other

expenses incurred in the protection of the Premises and the maintenance of the lien of this Mortgage, including the cost, expenses and reasonable attorney's fees paid in any suit for such purposes, with interest thereon at the applicable Default Rate set forth in the Credit Agreement, shall be repayable by Mortgagor upon demand and shall be secured by this Mortgage. Mortgagee shall not be permitted to make any such advance prior to an acceleration of the Indebtedness without first having provided Mortgagor with notice of its intent to do so.

12. Notices. All notices, requests, and other communications to any party hereunder shall be in writing (including bank wire, telecopy or similar teletransmission or writing) and shall be given to such party at its address or telecopy number set forth in the preamble to this Mortgage or such other address or telecopier number as such parties may hereafter specify by notice to the other parties. Each such notice, request or other communication shall be effective (i) when delivered personally, (ii) if given by telecopier, when such telecopy is transmitted and electronically confirmed to the telecopier number specified in this Paragraph 12; (iii) if given by certified mail, return receipt requested, 72 hours after such communication is deposited in the mails with first-class postage prepaid, addressed as aforesaid, or (iv) by Federal Express or other recognized overnight delivery service (provided that, in either such case, such delivery is made with a request for receipt), on the next Business Day after such communication is deposited with such delivery service, or (v) if given by any other means, when delivered at the address specified in this Paragraph 12. Prior to the Conversion Date, copies of all notices to Mortgagee shall also be provided in like manner to Stroock & Stroock & Lavan, 7 Hanover Square, New York, New York 10004, Attention: William Campbell, Esq. Copies of all notices to Mortgagor shall also be provided in like manner to Miro Miro & Weiner, 500 North Woodward Avenue, Suite 100, Bloomfield Hills, Michigan 48304, Attn: Kenneth H. Gold, Esq.

13. Assignment of Rents and Leases. (a) As additional security for the repayment of the Indebtedness, Mortgagor hereby grants, transfers, and assigns to Mortgagee the entire lessor's interest in and to all Leases and Rents. The foregoing assignment constitutes a present, absolute assignment of all present and future Leases and Rents, and not an assignment for additional security only, and shall be effective with respect to future Leases and Rents without further or supplemental assignment.

(b) Mortgagor covenants with Mortgagee that Mortgagor (i) shall observe and perform all the material obligations imposed upon the lessor under the Leases if the failure to do so would materially adversely affect the value of the Premises taken as a whole and shall not do or permit to be done anything to materially impair the value of the Leases as security for the

Indebtedness; (ii) during the continuance of any Event of Default, upon request of Mortgagee, promptly send copies to Mortgagee of all notices of default which Mortgagor shall send or receive under the Leases; (iii) shall make reasonable efforts to enforce all of the terms, covenants and conditions contained in the Leases upon the part of the lessees thereunder to be observed or performed; (iv) shall not collect any of the Rents more than one (1) month in advance (other than security deposits); (v) shall not execute any other assignment of lessor's interest in the Leases or the Rents (except to Malan Sub in connection with the transfer of the Mortgaged Property Collateral to the Malan Sub on the Conversion Date, subject to the lien of this Mortgage and the assignments contained herein); (vi) shall not materially alter, modify or change the terms of the Leases without the prior written consent of Mortgagee, or cancel or terminate the Leases, or accept a surrender thereof or convey or transfer or suffer or permit a conveyance or transfer of the Premises 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, if such action (taking This Document as the property of the Lake County Recorder, reduction in rent or shortening of term, the planned alternative use of the affected space) would materially adversely affect the value of the Premises taken as a whole, and provided further that such lease, as amended, modified or waived, is otherwise in compliance with the requirements of this Mortgage; (vii) shall not alter, modify or change the terms of any guaranty of any of the Leases or cancel or terminate any such guaranty, except in the ordinary course of business, without the prior written consent of Mortgagee if such action would materially adversely affect the value of the Premises taken as a whole, and provided further that such guaranty, as amended, modified or waived, is otherwise in compliance with the requirements of this Mortgage; and (viii) shall execute and deliver at the request of Mortgagee all such further assurances, confirmations and assignments in connection with the Premises as Mortgagee shall from time to time reasonably require. Notwithstanding anything to the contrary contained herein, Mortgagor shall not, prior to the Conversion Date, (i) materially alter, modify or change the terms of the Leases without the prior written consent of Mortgagee, or cancel or terminate the Leases, or accept a surrender thereof or convey or transfer or suffer or permit a conveyance or transfer of the Premises 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; and (ii) shall not, materially alter, modify or change the terms of any guaranty of any of the Leases or cancel or terminate any such guaranty, without the prior written consent of Mortgagee.

(c) Mortgagor further covenants that (A) all Leases shall be written on Mortgagor's standard form of lease in effect from time to time (which form of lease shall be substantially similar

to the then current market forms of lease for owners of comparable properties in the general vicinity of the Premises); (B) upon request, Mortgagor shall furnish Mortgagee with executed copies of all Leases; (C) all renewals of Leases and all new Leases shall provide for rental rates comparable to existing local market rates or, if lower, rental rates that will not result in a material impairment of fair market value of the Premises taken as a whole, and shall be arms-length transactions; and (D) all Leases entered into after the date hereof shall provide that they are subordinate to this Mortgage and require the lessee thereunder to attorn to Mortgagee immediately upon Mortgagee's request therefor on the terms set forth in Paragraph 13(d); provided that the Mortgagee, at the request of Mortgagor, shall enter into a subordination, attornment and nondisturbance agreement, in form and substance substantially similar to the form attached hereto as Exhibit C (a "Nondisturbance Agreement") with any existing Tenant or Tenant entering into a Lease after the date hereof; provided that, with respect to any Lease entered into after the date hereof, such request is accompanied by an Officer's Certificate of the Mortgagee stating that such Lease complies in all respects with this Section 13. All actual, out-of-pockets costs and expenses of the Mortgagee in connection with the negotiation, preparation, execution and delivery of any Nondisturbance Agreement including, without limitation, reasonable attorneys' fees and disbursements, shall be paid by the Mortgagor.

(d) Each Lease entered into from and after the date hereof shall provide that: in the event of the enforcement by the Mortgagee of any remedy under this Mortgage, the Tenant under such Lease shall, at the option of the Mortgagee or of any other Person succeeding to the interest of the Mortgagee as a result of such enforcement, subject to the Mortgagee's and such Tenant's execution and delivery of a Nondisturbance Agreement if such Nondisturbance Agreement is required pursuant to the provisions of Section 13(c) above, attorn to the Mortgagee or to such Person and shall recognize the Mortgagee or such successor in interest as lessor under such Lease without change in the provisions thereof; provided, however, Mortgagee or such successor in interest shall not be liable for or bound by (i) any payment of an installment of rent or additional rent (other than security deposits) which may have been made more than thirty (30) days before the due date of such installment, (ii) any amendment or modification to or termination of any such Lease not in conformity with Section 13(c), (iii) any act or omission of or default by the Mortgagor under any such Lease (other than to cure defaults of a continuing nature with respect to the maintenance or repair of the demised premises or the Premises, provided that Mortgagee or such successor in interest shall not be liable for any failure of Mortgagor to construct any improvements) or (iv) any credits, claims, setoffs or defenses which any Tenant may have against Mortgagor. Each such

Tenant, upon reasonable request by the Mortgagee, shall execute and deliver an instrument or instruments confirming such attornment, subject to the Mortgagee's execution and delivery of a Nondisturbance Agreement to such Tenant if such Nondisturbance Agreement is required pursuant to the provisions of Section 13(c) above.

(e) 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 and provisions contained in any such Leases or otherwise impose any obligation upon Mortgagee. Mortgagor agrees to execute and deliver to Mortgagee such additional instruments, in form and substance reasonably 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 Paragraph 13(e), Mortgagee grants to Mortgagor a revocable license to operate and manage the Premises and to collect the Rents. During the continuance of an Event of Default, the license granted to Mortgagor herein shall automatically be revoked, and Mortgagee shall immediately be entitled to possession of all Rents, whether or not Mortgagee enters upon or takes control of the Premises. Mortgagee is hereby granted and assigned by Mortgagor the right, at its option, upon revocation of the license granted herein, and without limitation to any other provision of this Mortgage to enter upon the Premises 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 Indebtedness in such priority and proportions as Mortgagee in its discretion shall deem proper.

(f) During the continuance of an Event of Default, Mortgagee may, at its option, without waiving such Event of Default, with or without notice (except to the extent such notice may be required by law; it being acknowledged and agreed by Mortgagor that Mortgagor hereby waives, to the maximum extent permitted by law, its right to receive such notices) and without regard to the adequacy of the security for the Indebtedness, either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, take possession of the Premises and have, hold, manage, lease and operate the Premises on such terms and for such period of time as Mortgagee may deem proper and either with or without taking possession of the Premises in its own name, demand, sue for or otherwise collect and receive all Rents, including those past due and unpaid with full power to make from time to time all alterations, renovations, repairs or replacements thereto or

thereof as may seem proper to Mortgagee in its sole discretion, may deem necessary in connection with the leasing of or for the preservation of the Premises and may, subject to the terms of the Collection Account Agreement, apply the Rents to the payment of the following in such order and proportion as Mortgagee in its sole discretion may determine, any law, custom or use to the contrary notwithstanding: (i) all expenses of managing and securing the Premises, including, without being limited thereto, the salaries, fees and wages of a managing agent and such other employees or agents as Mortgagee may deem necessary or desirable and all expenses of operating and maintaining the Premises, including, without being limited thereto, all taxes, charges, claims, assessments, water charges, sewer rents and any other liens, and premiums for all insurance which Mortgagee may deem necessary or desirable, and the cost of all alterations, renovations, repairs or replacements, and all expenses incident to taking and retaining possession of the Premises; and (ii) the Indebtedness, together with all costs and attorneys' fees. In addition to the rights which Mortgagee may have herein, during the continuance of an Event of Default, Mortgagee, at its option, may either require Mortgagor to pay monthly in advance to Mortgagee, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Premises as may be in possession of Mortgagor or may require Mortgagor to vacate and surrender possession of the Premises to Mortgagee or to such receiver and, in default thereof, Mortgagor may be evicted by summary proceedings or otherwise. For purposes of this Paragraph 13(f), Mortgagor grants to Mortgagee its irrevocable power of attorney, coupled with an interest, to take any and all of the aforementioned actions and any or all other actions designated by Mortgagee for the proper management and preservation of the Premises. The exercise by Mortgagee of the option granted it in this Paragraph 13(f) and the collection of the Rents and the application thereof as herein provided shall not be considered a waiver of any Default or Event of Default.

(g) Mortgagee shall not be liable for any loss sustained by Mortgagor resulting from Mortgagee's failure to let the Premises after an Event of Default or from any other act or omission of Mortgagee in managing the Premises after default unless such loss is caused by the gross negligence, willful misconduct or bad faith of Mortgagee. Mortgagee shall not be obligated to perform or discharge any obligation, duty or liability under the Leases or under or by reason of the assignment described in this Paragraph 13 and Mortgagor shall, and hereby agrees, to indemnify Mortgagee for, and to hold Mortgagee harmless from, any and all liability, loss or damage which may or might be incurred under the Leases or under or by reason of the assignment described in this Paragraph 13 and from any and all claims and demands whatsoever, including the defense of any such claims or demands which may be asserted against Mortgagee by reason of any alleged obligations and undertakings

on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases except for claims or demands arising from Mortgagee's bad faith, gross negligence or willful misconduct. Should Mortgagee incur any such liability, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby and by the other Loan Documents and Mortgagor shall reimburse Mortgagee therefor immediately upon demand and upon the failure of Mortgagor so to do Mortgagee may, at its option, declare the Indebtedness to be immediately due and payable. Except for liability incurred by Mortgagee as a result of Mortgagee's bad faith, gross negligence, or willful misconduct, the assignment described in this Paragraph 13 shall not operate to place any obligation or liability for the control, care, management or repair of the Premises upon Mortgagee, nor for the carrying out of any of the terms and conditions of the Leases; nor shall it operate to make Mortgagee responsible or liable for any waste committed on the Premises by the tenants or any other parties, or for any dangerous or defective condition of the Premises, including without limitation the presence of any materials of Environmental Concern, or for any negligence in the management, upkeep, repair or control of the Premises resulting in loss or injury or death to any tenant, licensee, employee or stranger.

(h) Mortgagor hereby authorizes and directs all Tenants, upon receipt from Mortgagee of written notice to the effect that Mortgagee is then the holder of this Mortgage and that an Event of Default exists hereunder, to pay over to Mortgagee all Rents and to continue so to do until otherwise notified by Mortgagee. Mortgagee shall send a copy of the form of such notices to Mortgagor simultaneously with the provision of same to the Tenants.

(i) Mortgagee may take or release other security for the payment of the Indebtedness, may release any party primarily or secondarily liable therefor and may apply any other security held by it to the reduction or satisfaction of the Indebtedness without prejudice to any of its rights under the assignment described in this Paragraph 13.

(j) Nothing contained in the assignment described in this Paragraph 13 and no act done or omitted by Mortgagee pursuant to the power and rights granted to Mortgagee hereunder shall be deemed to be a waiver by Mortgagee of its other rights and remedies under this Mortgage or the other Loan Documents, and the assignment described in this Paragraph 13 is made and accepted without prejudice to any such rights and remedies. The right of Mortgagee to collect the Indebtedness and to enforce any other security therefor held by it may be exercised by Mortgagee either prior to, simultaneously with, or subsequent to any action taken by it hereunder.

(k) Nothing herein contained shall be construed as constituting Mortgagee a "mortgagee in possession" or a person of a similar nature in the absence of the taking of actual possession of the Premises by Mortgagee. In the exercise of the powers herein granted Mortgagee, no liability shall be asserted or enforced against Mortgagee (except as set forth in subsection (g) above, all such liability being expressly waived and released by Mortgagor.

(l) Upon satisfaction of the Indebtedness, Mortgagee will execute and deliver to Mortgagor all instruments necessary to evidence the termination of the assignment of rents and leases made pursuant to this Paragraph 13 including, without limitation, the termination of the Collection Account Agreement as it applies to the Mortgaged Property Collateral.

14. Oil and Gas Leases. Mortgagor, as additional and collateral security for the payment of the Indebtedness, hereby assigns to Mortgagee all of Mortgagor's right, title and interest in and to the profits, revenues, royalties, rights, and benefits accruing under all oil, gas and mineral leases on the Premises, to the extent the same may exist, or which may hereafter be placed thereon, and the lessee or assignee or sublessee is hereby directed on production of this Mortgage, or certified copy thereof, to pay said profits, revenues, royalties, rights, and benefits to Mortgagee.

15. Stamps, etc. Mortgagor agrees that if at any time the United States Government or any other governmental subdivision having jurisdiction shall require internal revenue or other documentary stamps hereon or on the Mortgage Note, or similar tax upon the Indebtedness, then the Indebtedness shall be and become immediately due and payable at the election of Mortgagee, provided that at least sixty (60) days' notice of such election has been given, in accordance with Paragraph 12 hereof, to Mortgagor, provided, however, said election and the right to elect shall be unavailing and this Mortgage and the Mortgage Note shall be and remain in effect, if Mortgagor lawfully may pay for such stamps or such tax, including interest and penalties thereon, to or for Mortgagee and does in fact pay, before delinquency, for all such stamps or such tax, as the case may be, including interest and penalties thereon. Mortgagor further agrees to deliver to Mortgagee, at any time, within fifteen (15) days following demand therefor, evidence of citizenship and such other evidence as may be required by any governmental agency having jurisdiction in order to determine whether the obligation secured hereby is subject to or exempt from any such tax. The provisions of this paragraph shall survive payment in full of the Indebtedness.

16. Estoppel Certificates.

(a) Mortgagor shall, within fifteen (15) days of Mortgagee's written request, furnish to Mortgagee a written statement duly acknowledged of the amount of the Indebtedness and whether or not to the best of its knowledge any offsets or defenses exist against the Indebtedness.

(b) Mortgagee shall, within ten (10) days of written Mortgagor's request and not more than twice in any calendar year (except in the case of any permitted transfer of the Premises by Mortgagor), provide Mortgagor with a statement setting forth the principal amount, interest rate and Payment Amount due under the Mortgage Note and each other Mortgage Note, the date to which interest has been paid, and all known outstanding and uncured notices of Default as indicated by Mortgagee's records at the time of such statement.

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

18. Intentionally Omitted.

19. Costs and Expenses. Mortgagor hereby agrees to save Mortgagee harmless from all reasonable costs and expenses, including reasonable attorneys' fees and costs of title searches, continuations of abstract and preparation of survey, incurred by reason of any action, suit, proceeding, hearing, motion or application before any court or administrative body in and to which Mortgagee may be or become a party by reason hereof, or by reason of its interest hereunder, including, but not limited to, condemnation, bankruptcy, probate and administration proceedings, as well as any other of the foregoing wherein proof of claim is by law required to be filed or in which it becomes necessary to defend or uphold the terms of this Mortgage or otherwise purporting to affect the security hereof or the rights or powers of Mortgagee and all money paid

or expended by Mortgagee in this regard, together with interest thereon from date of such payment at the rate set forth in the Mortgage Note, shall be so much additional indebtedness secured hereby and shall be without notice immediately due and payable by Mortgagor.

20. Performance of Mortgagor's Obligations; Protection of Security. Mortgagee may during the continuance of any Event of Default, but without obligation to do so, and without notice to or demand upon Mortgagor, (a) make or do any payment or act required of Mortgagor as provided herein in such manner and to such extent as Mortgagee may deem necessary to protect the security hereof, Mortgagee being authorized to enter upon the Premises for such purposes, (b) commence, appear in and/or defend any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee hereunder, and (c) pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of Mortgagee affects any part of the property subject to this Mortgage; all sums expended and acts performed by Mortgagee pursuant to this Paragraph 20 shall not relieve Mortgagor of any of its obligations hereunder and shall not be deemed a waiver of any default by Mortgagor hereunder; and the full amount of any such payment shall bear interest from the date thereof until paid at the rate set forth in the Mortgage Note, and all said costs, charges and expenses so incurred or paid, together with such interest, shall be a lien upon the Mortgaged Property Collateral and shall be deemed to be secured by this Mortgage. In any such event, in addition to the lien of this instrument, Mortgagee shall be fully subrogated to all liens, rights, titles, powers, equities and interests securing or constituting the obligations, charges or claims discharged.

21. Additional Security Instruments. Mortgagor shall, at any time and within fifteen (15) days of Mortgagee's written request, execute, acknowledge and deliver to Mortgagee a Security Agreement, Financing Statement or other similar security instrument, in form reasonably satisfactory to Mortgagee and Mortgagor, and further covering all property of any kind whatsoever owned by Mortgagor and located on the Premises, which, in the sole reasonable opinion of Mortgagee, is essential to the operation of the Premises and concerning which there may be doubt whether title to same has been conveyed by or a security interest created by this Mortgage under the laws of the state in which the Premises is located, and will further execute, acknowledge and deliver any financing statement, renewal, affidavit, continuation statement, certificate or other document as Mortgagee may reasonably request in order to perfect, preserve, maintain, continue and extend the security interest under and the priority of such security instrument. Mortgagor further agrees to pay to Mortgagee on demand all reasonable costs and expenses incurred by Mortgagee in

connection with the preparation, execution, recording and filing of any such documents.

22. Notices to Owner. The mailing of a written notice or demand addressed to the owner of record of the Premises, or directed to the said owner at the last address actually furnished to Mortgagee, shall be sent, in each such case, in accordance with the provisions of Paragraph 12 hereof.

23. Compliance with Property Agreements. (a) Mortgagor shall at all times faithfully and timely keep and perform or cause to be kept and performed all of the material terms, covenants and conditions required to be kept or performed by Mortgagor or by any owner of the Premises, or any part thereof, or by any entity affected thereby under any material licenses, ordinances, agreements, easements and other instruments affecting the Premises or which otherwise are applicable to Mortgagor because of its interest in said properties, the failure to comply with which would have a material adverse effect on the Premises taken as a whole. Mortgagor covenants and agrees that ~~This Document is the property of the Lake County Recorder!~~ paragraph 23(b) below, it shall not waive or modify any of the terms, covenants and conditions of any of said licenses, agreements, easements and other instruments or any rights or privileges thereunder as under such ordinances, or cancel or surrender any of them or release or discharge any party thereunder or affected thereby of or from any of the terms, provisions and conditions to be performed thereunder without in each instance securing the express prior written consent of Mortgagee. Mortgagor shall not give any consents or approvals required or permitted under any of said licenses, agreements, easements or instruments which would have a material adverse effect on the Premises taken as a whole without the express prior written consent of Mortgagee. Mortgagor shall take all reasonable necessary action to effect the performance of all of the material obligations of the other parties to and the parties affected by said licenses, ordinances, agreements, easements and other instruments.

(b) Notwithstanding any provision to the contrary contained herein, Mortgagee hereby consents to the modification of existing easements, rights of way, restrictive covenants, licenses or similar agreements included in the Permitted Encumbrances and to the creation of additional easements, rights of way, restrictive covenants, licenses or similar agreements affecting title to the Premises, including in connection with any permitted alterations to the Premises, provided that (i) in the case of such additional agreements, such additional agreements are subordinate to the Lien of this Mortgage, (ii) such additional agreements or modifications will not materially adversely affect the cash flow, value or day to day operations of the Premises, and (iii) Mortgagee receives, at least five (5) days prior to the execution by Mortgagor of such modification, additional easement, right of way, restrictive covenant or

similar agreement, an Officers' Certificate confirming that such action (A) will either benefit the Premises or will not affect the cash flow, value or day to day operation of the Premises in any material adverse respect and (B) will not, to the best knowledge of the certifying officer, cause the Premises to be in violation of any Legal Requirement or the Leases or any other agreement encumbering the Premises or result in the loss of any certificate of occupancy.

(c) Mortgagor shall promptly give to Mortgagee copies of all material notices, demands, consents, statements, approvals, disapprovals, authorizations or denials which it shall give or receive under the licenses, ordinances, agreements, easements and other instruments to which references are made in this Paragraph 23 or under any other agreements which Mortgagor covenants in this Mortgage to perform, the subject of which is likely to have a material adverse effect on the cash flow, value or day to day operations of the Premises.

(d) Mortgagor hereby acknowledges, recognizes, confirms and agrees that, during the continuance of any Event of Default, Mortgagee is empowered (at Mortgagee's sole option and without waiving, excusing or releasing Mortgagor from its obligations and liabilities hereunder and without imposing any obligation or responsibility on Mortgagee with regard thereto) to take whatever action Mortgagee may deem necessary to cure or attempt to cure any material default by Mortgagor or any other party under any of the licenses, ordinances, agreements, easements and other instruments referred to in this paragraph, and without removing or waiving any default by Mortgagor under this Mortgage, any amount of money so expended by Mortgagee in exercising the option granted to it hereunder shall be repayable by Mortgagor without demand, together with interest thereon from the date expended at the applicable Default Rate set forth in the Credit Agreement, shall be deemed to be an additional advance made by Mortgagee hereunder and secured hereby, and shall be subject to all of the provisions of this Mortgage with regard thereto.

24. Payment of Taxes and Other Charges. Mortgagee, in making any payment herein and hereby authorized, in the place and stead of Mortgagor relating to taxes, assessments, water rates or charges, sewer rates or charges and other governmental or municipal charges, fees, fines, impositions or liens asserted against the Premises (which payments may not be made by Mortgagor in the place and stead of Mortgagor except during the continuance of an Event of Default in accordance with Paragraph 11 hereof), may do so according to any bill, statement or estimate procured from the appropriate public office or report furnished by a realty tax service without inquiry into the accuracy of the bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof, or relating to any apparent or threatened adverse

title, lien, statement of lien, encumbrance, deed of trust, claim or charge and Mortgagee, shall be the sole judge of the legality or validity of same, or otherwise relating to any other purpose herein and hereby authorized, but not enumerated in this paragraph, may do so after an Event of Default whenever, in its sole judgement and discretion, such advances are necessary or desirable to protect the full security intended to be created by this Mortgage, and provided further that in connection with any such advance, Mortgagee, at its option, may and is hereby authorized to obtain a continuation report of title prepared by a title insurance company, the cost and expense of which shall be repayable by Mortgagor upon demand and shall be secured hereby.

25. Failure To Pay Franchise Taxes, etc. Mortgagor shall file within the prescribed time any and all corporation franchise tax reports and/or other tax reports or returns, as required under the provisions of any present or future law, and pay any and all corporation franchise taxes and/or similar taxes when due or payable unless the same are being contested, as required by any present or future law.

26. Optional Subordination. Mortgagor agrees that, at the option of Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part to any and all Leases upon the execution by Mortgagee and recording thereof, at any time hereafter, in the appropriate places in and for the town, city or county wherein the Premises are situate, of a unilateral declaration to that effect.

27. Intentionally Omitted.

28. Restrictions Against Sale or Other Transfers. Notwithstanding anything which may be contained herein to the contrary, that Mortgagor does hereby acknowledge, confirm and recognize that, in making the Loan, Mortgagee is relying to a material extent upon the business expertise of the parties comprising Mortgagor as well as the continued interest of Mortgagor and such parties in the Mortgaged Property Collateral. Accordingly, other than as hereinafter expressly permitted by the terms of this Paragraph 28 or in connection with the transfer of the Mortgaged Property Collateral to Malan Sub or as permitted in connection with the prepayment of a portion of the principal amount of the Indebtedness and a release of the Mortgaged Property Collateral from the Lien of this Mortgage pursuant to Section 2.4(j) of the Credit Agreement, no sale, transfer, assignment, disposition of or further encumbrance of all or any portion of the Mortgaged Property Collateral, any interest of Mortgagor therein or any interest of such parties in Mortgagor shall be made, nor shall Mortgagor or any such party enter into any agreement to so sell, transfer, assign, dispose of or further encumber all or any portion of the Mortgaged Property Collateral or such interests, nor shall any other lien

or encumbrance be permitted to exist against the Mortgaged Property Collateral or such interests (whether the same be voluntary or involuntary, and whether the same shall occur directly or indirectly) without the express written consent of Mortgagee being first obtained in each and every instance, and upon the occurrence or happening of any or all of the foregoing without such express written consent, Mortgagee shall have the right and option, in its sole discretion, to immediately declare the entire outstanding Indebtedness to be immediately due and payable and to exercise, at its option, such rights and remedies as herein and at law provided with regard thereto.

Notwithstanding anything to the contrary contained in this Paragraph, Mortgagor without the consent of Mortgagee may (i) make transfers of portions of the Premises in connection with Takings of portions of the Premises for dedication or public use (subject to the provisions of Paragraph 9 hereof), and (ii) grant easements, restrictions, covenants, reservations and rights of way in the ordinary course of business for access, water and sewer lines, telephone and telegraph lines, electric lines or other utilities or for other similar purposes or amend the Operating Agreements.

29. Intentionally Omitted.

30. Intentionally Omitted.

31. Intentionally Omitted.

32. After-Acquired Property. All property of every kind and description acquired by Mortgagor after the date hereof which, by the terms hereof, is required or intended to be subject to the lien of this Mortgage shall immediately upon the acquisition thereof and without any further mortgage, conveyance, assignment or transfer become subject to the lien of this Mortgage. Nevertheless, Mortgagor will do, execute, acknowledge and deliver all and every such further acts, conveyances, deeds of trust, mortgages, and assurances as Mortgagee shall reasonably request for accomplishing the purposes of this Mortgage, but nothing contained herein shall increase Mortgagor's personal obligation or liability hereunder by reason thereof.

33. Governing Law. This Mortgage was negotiated in New York, and made by Mortgagor and accepted by Mortgagee in the State of New York, and the proceeds of the Mortgage Note delivered pursuant hereto were disbursed from New York, which State the parties agree has a substantial relationship to the parties and to the underlying transaction embodied hereby, and in all respects, including without limitation matters of construction, validity and performance, this Mortgage and the obligations arising hereunder shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts made and performed in such State and any

applicable law of the United States of America, except that at all times the provisions for the creation, perfection, and enforcement of the liens and security interests created pursuant hereto and the provisions of Paragraph 46 hereof shall be governed by and construed according to the law of the state in which the Premises is located, it being understood that, to the fullest extent permitted by the law of such State, the law of the State of New York shall govern the validity and the enforceability of this Mortgage, the other Loan Documents and the Indebtedness or obligations arising hereunder or thereunder. To the fullest extent permitted by law, Mortgagor hereby unconditionally and irrevocably waives any claim to assert that the law of any other jurisdiction governs this Mortgage and the other Loan Documents, and this Mortgage and the other Loan Documents shall be governed by and construed in accordance with the laws of the State of New York pursuant to § 5-1401 of the New York General Obligations Law.

34. Operation of Premises. That Mortgagor shall not, without the prior written consent of Mortgagee, suffer or permit the nature of the occupancy or use of the Premises to be inconsistent with the occupancy or use of the Premises as of the date hereof and otherwise in a manner inconsistent with prudent industry standards.

35. Intentionally Omitted.

36. No Change in Use Restrictions. Except as otherwise set forth herein, Mortgagor shall not initiate, join in or consent to any change in any zoning ordinance, private restrictive covenant or other public or private restriction changing, limiting or restricting the uses which may be made to the Premises or any part thereof, without the prior written consent of Mortgagee in each instance, which consent shall not unreasonably be withheld. Notwithstanding the foregoing, Mortgagor shall not be required to obtain Mortgagee's written consent to any change in any of the foregoing if such change shall not materially adversely effect the cash flow, value or day to day operations of the Premises.

37. Events of Defaults. The following shall constitute Events of Default hereunder:

(i) An Event of Default shall have occurred under the Credit Agreement;

(ii) Mortgagor's failure to cure any default in the performance of any of its obligations hereunder which can be cured by the payment of money or to pay any other sums due to Mortgagee within ten (10) days of written notice of such default from Mortgagee;

(iii) Mortgagor's default of any of its obligations under Paragraph 28;

(iv) Mortgagor's failure to at any time maintain the insurance required by Paragraph 5 hereof;

(v) Mortgagor's failure to timely perform or comply with any of its other obligations hereunder, other than those described in (ii) or (iii) above, within thirty (30) days of written notice of such failure or demand for such performance or compliance by Mortgagee as such period may be extended for Excusable Delays, but in no event shall any extension be for a period longer than one hundred eighty (180) days; or

(vi) the failure of any representation or warranty of Mortgagor contained herein to be true and correct in all material respects as of the date the same is made.

38. Intentionally Omitted.

39. Remedies. (a) During the continuance of an Event of Default, Mortgagee, with or without entry, personally or by its agents or independent contractors, insofar as applicable, may:

(i) sell the Mortgaged Property Collateral and all estate, right, title and interest, claim and demand therein, at public auction at such time and place, and upon such terms and conditions as Mortgagee may deem expedient or as may be required or permitted by applicable law; or

(ii) institute proceedings for the complete or partial foreclosure of this Mortgage; or

(iii) take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant or condition in this Mortgage or the other Loan Documents, or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as Mortgagee shall elect.

(b) Upon foreclosure of this Mortgage in any court of law or equity, whether or not any order or decree has been entered therein, and to the extent permitted by law, a reasonable sum will be allowed for attorneys' fees of the plaintiff(s) in the proceeding, for stenographers' fees and for all moneys expended for documentary evidence and the cost of a complete abstract of title and title report for the purpose of the foreclosure. Such sum will be secured by this Mortgage.

(c) To the extent permitted by law, the judgment or decree foreclosing this Mortgage will include the following amounts which will be paid out of the rents and revenues of the

Premises or the proceeds of any sale made pursuant to the judgment or decree: (i) all costs and expenses of bringing suit, advertising, completing the sale and conveyance, attorneys', solicitors' and stenographers' fees, documentary evidence and examination of title and obtaining title report; (ii) all moneys, if any, advanced by Mortgagee for any purpose authorized in this Mortgage, with interest thereon as provided in this Mortgage; (iii) all the accrued interest remaining unpaid with respect to the Indebtedness; (iv) all unpaid principal with respect to the Indebtedness; (v) any other sums payable with respect to the Indebtedness and (vi) any other portion of any sums owed by Mortgagor to Mortgagee not enumerated in the preceding items. The surplus of the proceeds, if any, will be paid in accordance with Section 6.4 of the Credit Agreement.

(d) Notwithstanding anything contained in this Mortgage or the other Loan Documents to the contrary, in the case of any foreclosure or sale of the Premises, the Premises may be sold in one or more parcels.

(e) In the case of any foreclosure or sale of the Premises, Mortgagee may become the purchaser of the Premises.

40. Appraisal, Redemption and Stay Laws. To the fullest extent permitted by law, Mortgagor does hereby expressly waive and renounce the benefit of all laws now existing or that may hereafter be enacted providing for any appraisal before sale of any of the Premises, commonly known as appraisal laws, and also the benefit of all laws that may be hereafter enacted in any way extending the time for the enforcement of the collection of the debt hereby secured or creating or extending a period of redemption from any sale made in collecting said debt, commonly known as stay laws and redemption laws. Mortgagor further expressly waives and renounces, to the fullest extent permitted by law, any and all right to invoke the benefit of any law, now or hereafter adopted, which concerns or requires the Mortgagee to sell the Premises in an inverse order of alienation or otherwise requires a marshaling of assets or collateral in connection with any such sale, and Mortgagor specifically recognizes, confirms, acknowledges and agrees that Mortgagee requires that all parcels comprising the Premises be maintained as one unit under single ownership and that a requirement for separate sales or a sale in an inverse order of alienation or otherwise marshall assets would be contrary to the basis on which the loan secured hereby is being made.

41. Receiver. Mortgagee, in any action to foreclose this Mortgage or otherwise during the continuance of any Event of Default, shall be entitled to the appointment of a Receiver of the rents and profits of the Premises as a matter of right and pursuant to the laws of the state in which the Premises is located, with power to collect the rents, issues and profits of

the Premises, due and coming due during the pendency of such foreclosure suit, without regard to the value of the Premises or the solvency of any person or persons liable for the payment of the Indebtedness. To the fullest extent permitted by law, the Mortgagor for itself and any subsequent owner hereby waives any and all defenses to the application for a Receiver, as above, and hereby specifically consents to such appointment of a Receiver without notice (other than such notice as is required to be given by law and which may not, pursuant to applicable law, be waived by Mortgagor), but nothing herein contained is to be construed so as to deprive Mortgagee of any other right, remedy, or privilege it may now have under the law to have a Receiver appointed. The provision on the appointment of a Receiver of the rents, issues and profits and the assignment of such leases, rents, issues and profits is made an express condition upon which the Loan is made.

42. Releases, Extensions etc. Mortgagee, without notice and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior deeds of trust ~~This Document is the property of the Lake County Recorder.~~ may release any part of the Mortgaged Property Collateral or may release any person liable for all or any portion of the indebtedness without in any way affecting the priority of this Mortgage, to the full extent of the Indebtedness remaining unpaid hereunder, upon any part of the Mortgaged Property Collateral not expressly released. Mortgagee may also agree to extend the time for payment of any part or all of the Indebtedness with any party obligated on the Indebtedness or having any interest in the Indebtedness, and such agreement shall not, in any way, vitiate, release, modify, affect, discharge or impair this Mortgage, but shall extend the same as against the title of all parties having any interest in said security, which interest is subject to this Mortgage. All rights and remedies of Mortgagee set forth herein are for the benefit of Mortgagee and, except as specifically stated herein, the exercise of such rights and remedies by Mortgagee shall not impose any duties or responsibilities upon Mortgagor to Mortgagee.

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

44. Intentionally Omitted.

45. No Waiver. That the failure of Mortgagee to exercise the option of acceleration of maturity and/or foreclosure following any default as herein provided, or to exercise any other option granted to Mortgagee hereunder in any one or more instances, or the acceptance by Mortgagee of partial payments under the Mortgage Note or hereunder, shall not constitute a waiver of such default nor extend or affect the grace period, if any, with respect thereto, but such option shall remain continuously in force as long as such default continues. Acceleration of maturity once declared hereunder by Mortgagee may, at the option of Mortgagee, be rescinded by written acknowledgment to such effect by Mortgagee, but the tender and acceptance of partial payments as aforesaid alone shall not in any way affect or rescind such acceleration nor extend or affect any grace period.

46. Indiana Provision (a) In the event any item, items, terms or provisions contained in this instrument are in conflict with the laws of the State of Indiana, this instrument shall be affected only as to its application to such item, items, terms or provisions, ~~This document is the property of the Lake County Recorder~~ **Document is NOT OFFICIAL!** the terms and conditions of this instrument and/or all other contracts and obligations executed in connection therewith, there shall never be paid or collected and Mortgagee shall have no right to charge any sum or sums as interest as defined by the laws of Indiana (after giving effect to the choice of law provisions contained herein and in the Mortgage Note) which would cause the total interest (including that charged or stipulated for in this and all other contracts and obligations executed in connection herewith) on the actual principal sum or sums loaned or advanced to exceed the maximum rate allowed by law (after giving effect to the choice of law provisions contained herein and in the Mortgage Note). It is hereby agreed that no interest in excess of the maximum rate allowed by law shall be charged, paid or received for the use or forbearance or detention of said actual principal sum or sums loaned or advanced. Further, nothing contained herein shall require Mortgagor to make any payment or do anything contrary to law, ~~but if any clause or provision herein contained shall otherwise operate to invalidate this Mortgage in whole or in part, then such clauses and provisions only shall be held to naught as though not herein contained and the remainder of this Mortgage shall remain operative and in full force and effect.~~

(b) The phrase "A POWER OF SALE HAS BEEN GRANTED IN THIS MORTGAGE. A POWER OF SALE MAY ALLOW THE MORTGAGEE TO TAKE THE MORTGAGED PROPERTY COLLATERAL AND SELL IT WITHOUT GOING TO COURT IN A FORECLOSURE ACTION UPON DEFAULT BY THE MORTGAGOR UNDER THIS MORTGAGE." in the preamble on page 1 of this Mortgage is hereby deleted.

(c) The phrase "granted, bargained, sold, transferred, assigned, set-over and conveyed and by these presents does grant, bargain, sell, transfer assign, set-over and convey" in lines 5-7 of the Granting Clause on page 2 of the Mortgage is hereby deleted, and the phrase "mortgaged, conveyed, granted a security interest in and assigned and by these presents does mortgage, convey, grant a security interest in and assign" is substituted in place thereof.

(d) Subparagraph 39(a)(i) is hereby deleted.

(e) Notwithstanding anything to the contrary contained in this Mortgage, the provisions contained in this Paragraph 46 shall control with respect to the specific provisions addressed in this Paragraph 46.

47. Cross-Collateralization. Without limitation to any of the rights, remedies or privileges afforded to Mortgagee under this Mortgage or the other Loan Documents, Mortgagor represents, warrants and covenants that (i) Mortgagee shall have the right to pursue all of its rights and remedies under the Loan Documents in one proceeding, or separately and independently in separate proceedings from time to time, as Mortgagee, in its sole and absolute discretion, shall determine from time to time, (ii) the Mortgaged Property Collateral and any other collateral (hereinafter referred to as "Other Collateral") for the Indebtedness (including, but not limited to, those certain other parcels of real estate which secure repayment of the Mortgage Note pursuant to certain deeds of trust and security agreements of even date herewith which have been executed and delivered by Mortgagor for the use and benefit of Mortgagee) may be sold at such proceeding or proceedings in one or more sales and in such portions or combinations as Mortgagee, in its sole and absolute discretion, shall determine, (iii) Mortgagee is not required to either marshal assets, sell the Mortgaged Property Collateral or the Other Collateral in any inverse order of alienation, or be subject to any "one action" or "election of remedies" law or rule, (iv) the exercise by Mortgagee of any remedies against any one item of the Mortgaged Property Collateral or the Other Collateral will not impede Mortgagee from subsequently or simultaneously exercising remedies against any other item of the Mortgaged Property Collateral or the Other Collateral, and (v) all liens and other rights, remedies or privileges provided to Mortgagee under this Mortgage and the other Loan Documents shall remain in full force and effect until Mortgagee has exhausted all of its remedies against the Mortgaged Property Collateral and all the Other Collateral and the Mortgaged Property Collateral and all Other Collateral has been foreclosed, sold and/or otherwise realized upon in satisfaction of the Indebtedness.

48. Intentionally Omitted.

49. Paragraph Headings. The headings and captions of the various paragraphs are for conveniences of reference only and are not to be construed as defining, describing or limiting in any way the scope or intent of the provisions of this Mortgage.

50. Time of the Essence. IT IS SPECIFICALLY AGREED that time is of the essence of this instrument and to the performance of each party's obligations hereunder and under the other Loan Documents and that the waiver of the options, or of the obligations secured hereby, shall not at any time thereafter be held to be an abandonment of such rights.

51. Successors and Assigns. The covenants herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, successors, and assigns of the parties hereto. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

52. Covenants Running with the Land. All covenants, representations and warranties hereof shall run with the Land.

53. Exculpation. No officer, director or shareholder in the Mortgagor, nor any legal representative, heir, estate, successor or assign of any such officer, director or shareholder in the Mortgagor, whether disclosed or undisclosed, shall have any personal liability for (a) the payment of the indebtedness or any other sum of money which is or may be payable under this Mortgage or the other Loan Documents, or (b) the performance or discharge of any covenants or undertakings of the Mortgagor under this Mortgage or the other Loan Documents.

IN WITNESS WHEREOF, this instrument has been duly executed on this 30th day of November, 1994.

MALAN REALTY INVESTORS, INC.

By: Michael Kaline

Name: Michael Kaline

Title: Vice President

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

The foregoing document was acknowledged before me this 30th day of November, 1994, by Michael Kaline, the Vice President of MALAN REALTY INVESTORS, INC., a Michigan corporation, on behalf of the corporation, as its free act and deed.

Judith E. Meyers
Notary Public

JUDITH E. MEYERS
Notary Public, State of New York
No. 44-4739459
Qualified in Rockland County
Commission Expires December 31, 1995



This document prepared by William Campbell, Attorney at Law,
Stroock & Stroock & Lavan, 7 Hanover Square, New York, New York
10004.

List of Exhibits

Exhibit A - The Land

Exhibit B - Insurance Requirements

Exhibit C - Subordination, Attornment and Nondisturbance Agreement



Merrillville, Indiana

EXHIBIT A

Lots 2, 3, 5, 6 and 7, Broadway Center, as shown in Plat Book 56, page 31, in Lake County, Indiana.



EXHIBIT B

INSURANCE REQUIREMENTS

(a) Insurance with respect to the Improvements against any peril included within the classification "All Risks of Physical Loss" with extended coverage in amounts at all times sufficient to prevent Mortgagor from becoming a co-insurer within the terms of the applicable policies, but in any event such insurance shall be maintained in an amount equal to the full insurable value of the Improvements; the term "full insurable value" to mean the actual replacement cost of the Improvements (without taking into account any depreciation, and exclusive of excavations, footings and foundations, landscaping and paving) determined annually by an insurer, a recognized independent insurance broker or an appraiser selected and paid by Mortgagor (unless reasonably disapproved by Mortgagee) and in no event less than the coverage required pursuant to the terms of any Lease; provided, however, if the terms of the applicable insurance policies expressly provide for insurance to be provided in the amount of the actual replacement cost of the Improvements or such policies contain a replacement cost endorsement, no such annual determination will be necessary;

(b) Comprehensive general liability insurance, including bodily injury, death and property damage liability, and excess liability insurance against any and all claims, including all legal liability to the extent insurable imposed upon Mortgagee and all court costs and attorneys' fees and expenses, arising out of or connected with the possession, use, leasing, operation, maintenance or condition of the Premises in such amounts as are generally available at commercially reasonable premiums and are generally required by institutional lenders for comparable properties but in no event for a combined single limit of less than \$5,000,000 per occurrence for the Premises;

(c) Statutory workers' compensation insurance (to the extent required by law and the risks to be covered thereby are not already covered by other policies of insurance maintained by Mortgagor), with respect to any work by or for the Mortgagor on or about the Premises;

(d) Business interruption and/or loss of "rental value" insurance in an amount sufficient to avoid any co-insurance penalty and to provide Proceeds at Mortgagor's option, for (i) the period of twelve (12) months following the date of casualty or loss or (ii) the period of restoration from the date of casualty or loss plus three hundred sixty-five (365) days. The term "rental value" shall mean the sum of (A) the total rentals payable under the Leases and (B) the total amount of all other amounts to be received by Mortgagor, reduced to the extent such amounts would not be received because of expenses not incurred

during a period of non-occupancy of that portion of the Premises then not being occupied; provided, however, if Mortgagor is unable to obtain business interruption insurance in the foregoing amount at commercially reasonable premiums, then Mortgagor will obtain business interruption insurance in an amount which is generally required by institutional lenders for properties comparable to the Premises but in no event in an amount less than that sufficient to provide Proceeds which will cover a period equal to the lesser of (x) the period of restoration from the date of casualty or loss, and (y) three hundred sixty-five days, unless the Rating Agencies shall confirm that to obtain less than the amount set forth in clauses (x) and (y) shall have no adverse effect on the then rating of the REMIC Certificates;

(e) Broad form boiler and related machinery insurance (without exclusion for explosion) covering all boiler machinery and equipment located in, on or about the Premises and insurance against loss of occupancy or use arising from any such breakdown in such amounts as are generally available at commercially reasonable premiums and are generally required by institutional lenders for properties comparable to the Premises;

(f) If all or any portion of the Premises is located within a federally designated flood hazard zone, flood insurance, if available, provided, however, that if flood insurance shall be unavailable from private carriers, flood insurance provided by the federal government if available;

(g) Earthquake coverage with such limits and deductibles as are generally required by institutional lenders for similar properties in the geographic area in which the Premises is located. Such coverage shall be placed with one or more reputable insurers and may insure additional properties on a pooled risk basis subject to overall limits; and

(h) Such other insurance with respect to the Premises against loss or damage of the kinds from time to time customarily insured against and in such amounts as are generally available at commercially reasonable premiums and are generally required by institutional lenders on loans of similar amounts secured by for properties comparable to the Premises.

Ratings of Insurers: Mortgagor will maintain a portion of the insurance coverage described in clause (a) above in an amount at least equal to the Maximum Foreseeable Casualty Loss and the insurance coverage described in clauses (b), (d), (e) and (g) above, with either the insurers who insure the Premises on the date of this Mortgage or one or more other domestic primary insurers having (or a syndicate of insurers through which at least 75% of the coverage (if there are four or fewer members of the syndicate) or at least 60% of the coverage (if there are five or more members of the syndicate) is with

carriers having) a claims paying ability rating of not less than A (or equivalent) by the Rating Agencies; and the coverage described in clauses (c) and (f) with either an insurer having a claims paying ability rating of not less than A or in the case of workers' compensation insurance, the applicable state workers' compensation fund. In each case, however, if no domestic providers of such insurance are so rated, the requirement for such rating shall be the highest rating then given to domestic insurers by the Rating Agencies; provided that in the case of a syndicate failing to satisfy the foregoing test, supplementary qualifying coverage shall be required within 90 days of the date Mortgagor learns of such failure only to the extent the syndicate fails to satisfy the test; and provided further that in the event of any loss, claims in respect of a portion of such insurance maintained in accordance with clause (a) shall be payable prior to claims in respect of the remaining portion(s) of the insurance required by such clauses. All insurers providing insurance required by this Mortgage shall be authorized to issue insurance in the state where the Premises is located and shall be rated not less than Investment Grade.

The "Maximum Foreseeable Casualty Loss" shall be the estimate of the Qualified Fire Protection Engineer then being used by Mortgagor (unless reasonably disapproved by Mortgagee) in connection with its existing insurance package of the maximum probable casualty loss which would be incurred in respect of the Premises as a result of damage caused by the perils covered by the insurance described in clause (a) above.



EXHIBIT C

SUBORDINATION, ATTORNMENT AND NONDISTURBANCE AGREEMENT

This Agreement is entered into as of _____, 199__,
by and among _____, a _____
("Landlord"), _____, a _____
("Tenant"), and NATIONAL WESTMINSTER BANK, PLC, NEW YORK
BRANCH ("Lender").

W I T N E S S E T H :

A. Lender has issued that certain Mortgage Note due _____
(the "Note").

B. The Note is secured in part by a [Mortgage] [Deed of
Trust], Assignment of Leases and Rents, Security Agreement and
Fixture Financing Statement, dated as of _____, 199__,
(as amended or modified, the ["Mortgage"] ["Deed of Trust"]),
which [Mortgage] [Deed of Trust] is recorded at Book _____, Page _____
of the Official Records of _____, and covers
certain real property which is commonly known as _____
(the "Project").

C. Tenant is entering into a lease with Landlord, dated _____
_____, 199__, pursuant to which Tenant will let certain
premises at the Project (the "Lease").

D. Pursuant to Article [] of the Lease, Tenant is
required to enter into this Agreement, and upon execution by
Lender and Tenant, the Tenant's leasehold interest in the
Project will be subordinate to the interest of the Lender under
the [Mortgage] [Deed of Trust].

NOW, THEREFORE, the parties hereto mutually agree as
follows:

1. Subordination. The Lease shall be subject and
subordinate in all respects to the [Mortgage] [Deed of Trust],
and to any and all advances to be made thereunder and all
renewals, modifications, consolidations, replacements and
extensions thereof.

2. Nondisturbance. So long as Tenant pays all rents and
other charges as specified in the Lease and is not otherwise in
default of any of its obligations and covenants pursuant to the
Lease, Lender agrees for itself and its successors in interest
and for any purchaser of the Project upon a foreclosure of the
[Mortgage] [Deed of Trust], that Tenant's possession of the
premises as described in the Lease and Tenant's other rights
under the Lease will not be disturbed during the term of the

Lease, as said term may be extended pursuant to the terms of the Lease or as said premises may be expanded as specified in the Lease, and that the successor in interest to the rights and obligations of the Landlord under the Lease will abide by the provisions of the Lease, notwithstanding any other provisions in the [Mortgage] [Deed of Trust]. For purposes of this paragraph, a foreclosure shall include a [sheriff's or trustee's sale under the power of sale contained in the Deed of Trust and any other] transfer of the Landlord's interest in the Project under peril of foreclosure, including without limitation the generality of the foregoing, an assignment or sale in lieu of foreclosure.

3. Attornment. Subject (i) to Landlord's successor in interest's full compliance with the conditions relating to nondisturbance as set forth in Section 2 above and (ii) to the performance by the same of all obligations of the Landlord under the Lease with respect to obligations arising and accrued from and after the date that said successor in interest acquires its interest in the Project, Tenant agrees to attorn to, accept and recognize said successor in interest as the landlord under the Lease for the then remaining balance of the term of the Lease, and any extensions thereof as made pursuant to the Lease. Tenant agrees to execute and deliver, at any time and from time to time, upon the request of the Lender or the purchaser at any foreclosure sale or any other successor to Landlord, as the case may be, any reasonable instrument which may be necessary or appropriate to such successor landlord to evidence such attornment. Tenant shall upon foreclosure of the Property, upon demand of the Lender or any receiver or purchaser at such sale, pay to the Lender or purchaser, as the case may be, all rental monies or occupancy charges then due or which may thereafter become due.

4. No Liability. Notwithstanding anything to the contrary contained herein or in the Lease, it is specifically understood and agreed that the Lender or any receiver, purchaser or successor landlord shall not be:

(a) liable for any act, omission, negligence or default of any prior landlord (other than to cure defaults of a continuing nature with respect to the maintenance or repair of the demised premises or the Project); provided, however, that such successor landlord shall be liable and responsible for the performance of all covenants and obligations of landlord under the Lease accruing from and after the date that it takes title to the Project; or

(b) except as set forth in (a), above, liable for any failure of any prior landlord to construct any improvements;

(c) subject to any offsets, credits, claims or defenses which Tenant might have against any prior landlord; or

(d) bound by any rent or additional rent which is payable on a monthly basis and which Tenant might have paid for more than one (1) month in advance to any prior landlord; or

(e) bound by any cancellation, surrender, amendment or modification of the Lease not expressly consented to in writing by Lender or otherwise permitted by the [Mortgage] [Deed of Trust] in each instance; or

(f) be liable to Tenant hereunder or under the terms of the Lease beyond its interest in the premises.

Notwithstanding the foregoing, Tenant reserves its rights to any and all claims or causes of action against such prior landlord for prior losses or damages and against the successor landlord for all losses or damages arising from and after the date that such successor landlord takes title to the Project.

5. Rent. Tenant has notice that the Lease and the rents and all other sums due thereunder have been assigned to Lender as security for the loan secured by the [Mortgage] [Deed of Trust]. In the event Lender notifies Tenant of the occurrence of a default under the [Mortgage] [Deed of Trust] and demands that Tenant pay its rents and all other sums due or to become due under the Lease directly to Lender, Tenant shall honor such demand and pay its rent and all other sums due under the Lease directly to Lender or as otherwise authorized in writing by Lender. Landlord hereby irrevocably authorizes Tenant to make the foregoing payments to Lender upon such notice and demand.



6. Successors. The obligations and rights of the parties pursuant to this Agreement shall bind and inure to the benefit of the successors, assigns, heirs and legal representatives of the respective parties.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement in _____ County, _____, as of the date set forth above.

LENDER:

NATIONAL WESTMINSTER BANK Plc,
New York Branch

By: _____

Document is NOT OFFICIAL!

This Document is the property of the Lake County Recorder!

[LANDLORD]


By: _____

Name: _____
Title: _____

[TENANT]

By: _____

Name: _____
Title: _____



The seal is circular with a blue border containing the text 'RECORDER OF DEEDS' at the top and 'INDIANA' at the bottom. In the center, there is a white book icon with the word 'SEAL' written below it.

[Acknowledgments]