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This Document Prepared by and After Recording Return to:

C. Olivia Martinez, Esq.
Piper Marbury
Rudnick & Wolfe
203 North LaSalle St.
Suite 1800
Chicago, Illinois 60601-1293

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2000 070346

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MORRIS W. CARTER
RECORDER

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FIRST MODIFICATION TO MORTGAGE, FIXTURE FILING AND SECURITY AGREEMENT WITH ASSIGNMENT OF LEASES AND CASH COLLATERAL

This Document is the property of the Lake County Recorder!

THIS FIRST MODIFICATION TO MORTGAGE, FIXTURE FILING AND SECURITY AGREEMENT WITH ASSIGNMENT OF LEASES AND CASH COLLATERAL (this "Modification") dated as of September 20, 2000, is by and between 475 SUPERIOR AVENUE, L.L.C., a Delaware limited liability company ("Mortgagor") and BANK ONE, ILLINOIS, NA ("Lender").

RECITALS:

A. Pursuant to the terms of ten (10) separate Letter of Credit Agreements each dated as of February 17, 1998, as amended pursuant to that certain First Amendment to Letter of Credit Agreement dated as of November 30, 1998, and as further amended pursuant to that certain Second Amendment to Letter of Credit Agreement dated as of March 31, 2000 (collectively, the "Letter of Credit Agreements"), Lender issued ten (10) separate letters of credit in the original aggregate stated amount of Forty-Eight Million Eight Hundred Nine Thousand Five Hundred Eighty Seven Dollars (\$48,809,587) (the "LC Facilities") for the account of ten (10) partnerships affiliated with Mortgagor (collectively, the "LC Borrowers").

B. As security for the LC Facilities, Prime Group Realty, L.P., a Delaware limited partnership ("Prime"), executed and delivered those certain guarantees dated as of February 17, 1998, as modified pursuant to Modifications and Reaffirmations of Guaranty, each dated as of November 30, 1998, as further modified pursuant to Secured Modifications and Reaffirmations of Guaranty, each dated as of August 31, 1999, and as further modified pursuant to Third Modifications and Reaffirmations of Guaranty, each dated as of March 31, 2000 and as further modified, pursuant to Fourth Modifications and Reaffirmations of Guaranty, each dated as of even date herewith (collectively, "Prime Guarantees"), guarantying the obligations of the LC Borrowers under the Letter of Credit Agreements, subject, however, to the limitations described in the Prime Guarantees.

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C. As further security for the LC Facilities and the Prime Guarantees, Lender required that Mortgagor execute and deliver that certain Guaranty dated as of August 10, 2000 (the "Guaranty") guarantying all obligations of the LC Borrowers under the Letter of Credit Agreements and of Prime under the Prime Guarantees.

D. As additional security for the LC Facilities and the Prime Guarantees, Lender required that Mortgagor grant to Lender a first mortgage lien on the premises legally described in Exhibit A attached hereto as evidenced by that certain Mortgage, Fixture Filing and Security Agreement with Assignment of Leases and Cash Collateral, dated as of August 10, 2000, and as subsequently recorded in the Lake County Recorder's Office in Indiana on August 17, 2000 as Document Number 2000 059486 (the "Mortgage").

E. Mortgagor and Prime have requested that Lender amend the Mortgage as hereinafter provided on the conditions set forth herein.

NOW, THEREFORE, in consideration of the terms and conditions contained herein, the parties hereto agree as follows:

1. **DEFINITIONS.** All capitalized terms used herein and not otherwise defined shall have the meanings provided for in the Mortgage.

2. **AMENDMENT.** The Mortgage is hereby amended as follows:

2.1 The definitions in Section 1.1(ff) and (gg) are hereby deleted in their entirety and the following are hereby inserted in lieu thereof:

(ff) **Secured Obligations:** The obligations under the Letter of Credit Agreements, any and all obligations guaranteed by the Mortgagor under the Guaranty and any and all of the agreements, promises, covenants, warranties, representations and other obligations made or undertaken by Mortgagor to Mortgagee as set forth in this Mortgage and the other Security Documents, and in any renewal, modification or extension of the Letter of Credit Agreements, the Guaranty, this Mortgage or any other Security Document.

(gg) **Security Documents:** This Mortgage, the Letter of Credit Agreements, the Guaranty and any and all other documents now or hereafter executed by Mortgagor or any other person or entity to evidence, collateralize, secure or support the payment of the Secured Obligations or required hereby to assure the performance and discharge of the covenants in this Mortgage or to protect or enhance the Property.

2.2 Section 6.14 of the Mortgage is hereby deleted in its entirety and the following is hereby inserted in lieu thereof:

6.14 **Releases.** Upon the sale of the Property, Mortgagee will release this Mortgage provided that Mortgagee shall have received the sum of \$10,000,000 in immediately available funds (the "Sales Proceeds"). Mortgagee may, at its election, apply all or a portion of the Sales Proceeds to reduce the amount outstanding under the Secured Obligations or maintain such proceeds in a cash collateral account at Mortgagee's office, subject to the sole dominion and control of Mortgagee, as additional security for the Secured Obligations.

3. **CONDITIONS PRECEDENT.** This Modification shall become effective upon receipt of the following items by Lender, each of which shall be satisfactory to Lender in its sole and absolute discretion:

- (i) four (4) executed counterparts of this Modification;
- (ii) original executed copies of twenty (20) Fourth Modifications and Reaffirmations of Guaranty, each dated as of even date herewith executed by Prime Group Realty, L.P. in connection with the Prime Guarantees;
- (iii) receipt of a title endorsement to that certain Lender's Title Insurance Policy issued by Chicago Title Insurance Company, which ensured the first priority lien of the Mortgage, reflecting that title has been brought down to the date of recording of this Modification;
- (iv) payment to Lender of any fees, title insurance costs and expenses required or incurred in connection with this Modification or the Fourth Modifications and Reaffirmations of Guaranty; and
- (v) satisfaction of any other conditions reasonably required by Lender.

4. **EXPENSES.** Mortgagor shall pay, upon demand, all reasonable attorneys' fees and out-of-pocket costs of Lender in connection with this Modification and the agreements, documents and other items contemplated hereunder..

5. **REAFFIRMATION OF GRANT OF SECURITY INTEREST.** Mortgagor expressly acknowledges and agrees that all collateral, security interests, liens, pledges and mortgages heretofore, under this Modification or hereafter granted to Lender including, without limitation, such collateral, security interests, liens, pledges and mortgages granted under the Guaranty, the Mortgage and all supplements thereto, extend to and cover all of the obligations of Mortgagor to Lender, now existing or hereafter arising including, without limitation, those arising in connection with the

Mortgage, as amended by this Modification, upon the terms set forth in such agreements, all of which security interests, liens, pledges and mortgages are hereby ratified, reaffirmed, confirmed and approved.

6. **REAFFIRMATION OF GUARANTY.** Mortgagor hereby ratifies and confirms the Guaranty and each of the terms and provisions thereof, and agrees that the Guaranty continues in full force and effect following the execution and delivery of this Agreement. Mortgagor represents and warrants to Lender that the Guaranty was, on the date of its execution and delivery, and continues to be, the valid and binding obligation of Mortgagor, enforceable in accordance with its terms, and that Mortgagor has no claim or defense to the enforcement of the rights and remedies of Lender under the Guaranty. Mortgagor further acknowledges and agrees that any collateral, security interests, liens and pledges heretofore or hereafter granted to Lender by Mortgagor, and all documents executed in connection therewith or incorporated therein, extend to and cover all of Mortgagor's obligations to Lender now existing or hereafter arising under the Guaranty, upon the terms and conditions set forth therein, all of which collateral, security interests, liens and pledges are hereby ratified, reaffirmed, confirmed and approved.

7. **MISCELLANEOUS.**

7.1 **Limited Nature of Modification.** The parties hereto acknowledge and agree that the terms and provisions of this Modification amend, add to and constitute a part of the Mortgage as provided herein. Except as expressly waived or modified and amended by the terms of this Modification, all of the other terms and conditions of the Mortgage and all documents executed in connection therewith or referred to or incorporated therein remain in full force and effect and are hereby ratified, reaffirmed, confirmed and approved.

7.2 **Conflict.** If there is an express conflict between the terms of this Modification and the terms of the Mortgage, or any of the other agreements or documents executed in connection therewith or referred to or incorporated therein, the terms of this Modification shall govern and control.

7.3 **Counterparts.** This Modification may be executed in one or more counterparts, each of which shall be deemed to be an original.

7.4 **Representations and Warranties.** Mortgagor represents and warrants to Lender as follows: (A) Mortgagor has all necessary corporate power and authority to execute and deliver this Modification and perform its obligations hereunder; (B) this Modification, the Guaranty, and the Mortgage as amended hereby constitute the legal, valid and binding obligations of Mortgagor, and is enforceable against Mortgagor in accordance with their terms; and (C) all representations and warranties of Mortgagor contained in the Mortgage as amended hereby, the Guaranty and all other agreements, instruments and other writings relating thereto, as amended, are true and complete as of the date hereof.

7.5 **Governing Law.** This Modification shall be governed by and construed in accordance with the internal laws (as opposed to conflicts of law provisions) of the State of Illinois.

[SIGNATURES FOLLOW]



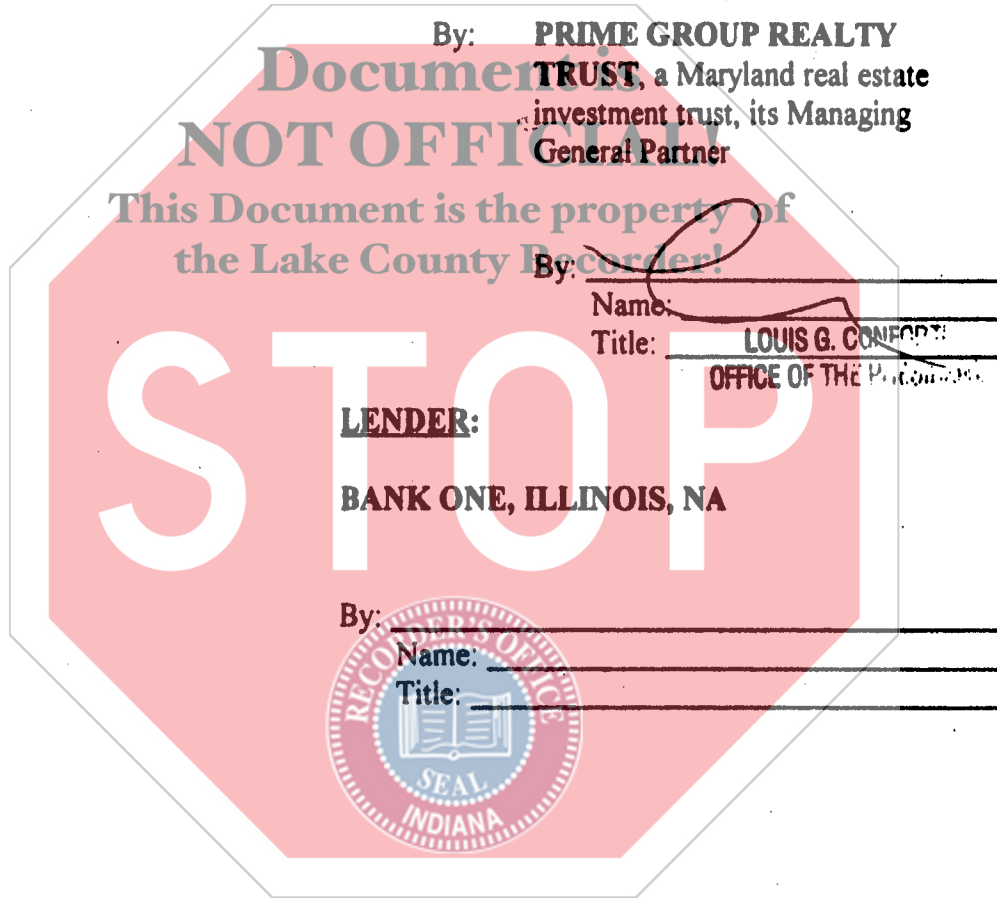
IN WITNESS WHEREOF, this Modification is dated as of the day and year first written above.

MORTGAGOR:

475 SUPERIOR AVENUE, L.L.C., a Delaware limited liability company

By: **PRIME GROUP REALTY, L.P.**, a Delaware limited partnership, its Member

By: **PRIME GROUP REALTY TRUST**, a Maryland real estate investment trust, its Managing General Partner



This Document is the property of the Lake County Recorder!

By: _____
Name: _____
Title: **LOUIS G. CONFORTI**
OFFICE OF THE Recorder

LENDER:

BANK ONE, ILLINOIS, NA

By: _____
Name: _____
Title: _____

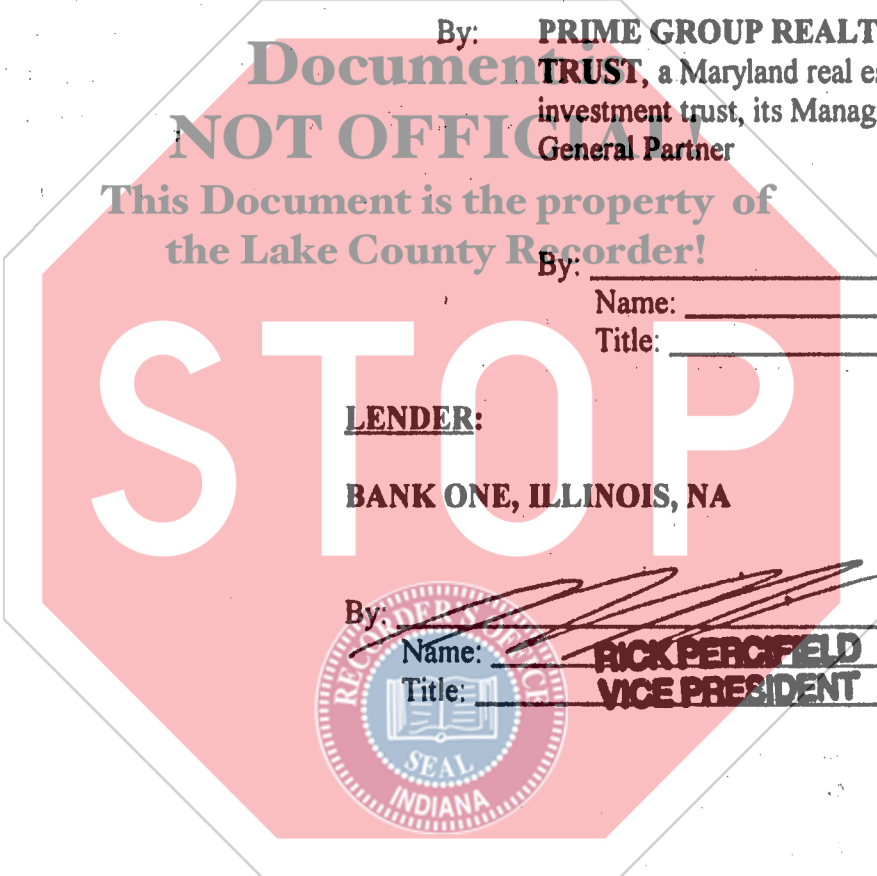
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By: _____
Name: _____
Title: _____

LENDER:

BANK ONE, ILLINOIS, NA

By: _____
Name: **RICK PERCIFELD**
Title: **VICE PRESIDENT**



STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Priscilla Travis, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Rick Percifield, the Vice President of Bank One, Illinois, NA, personally known to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial seal this 21st day of September, 2000.

"OFFICIAL SEAL"
PRISCILLA TRAVIS
Notary Public, State of Illinois
My Commission Expires 6/19/2001

Priscilla Travis
NOTARY PUBLIC

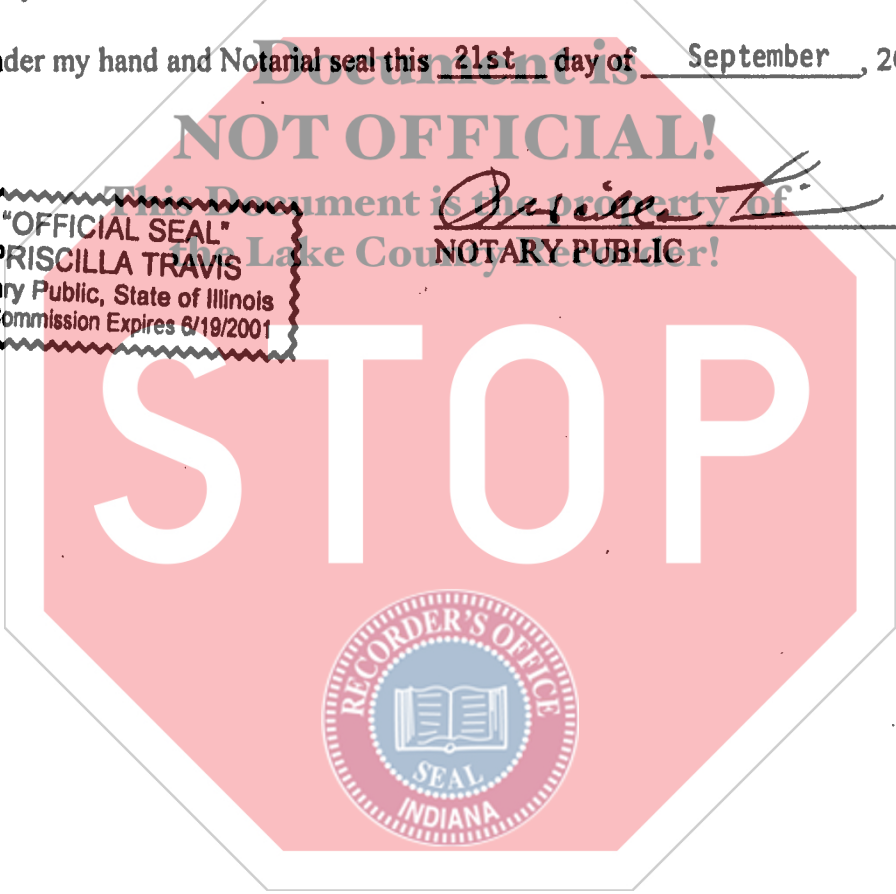


EXHIBIT A

LEGAL DESCRIPTION

Lot 1 in Midwest Central Business Park Unit 4, in the Town of Munster, as per plat thereof, recorded in Plat Book 64 page 22, in the Office of the Recorder of Lake County, Indiana

Commonly known as 475 Superior, Munster, Indiana

