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

by

**EAST CHICAGO ENTERPRISE CENTER LIMITED PARTNERSHIP,
an Illinois limited partnership**

to and for the benefit of
**LASALLE BANK NATIONAL ASSOCIATION,
a national banking association**



1063

Permanent Tax Numbers:
30-29-33, 30-90-13, 31-35-2, 31-37-5,
31-37-10, 31-37-19, 31-37-21
31-37-24 (Tax Unit No. 24)

This Instrument Prepared by and
to be Returned After and Recording to:

Address:

East Chicago Enterprise Center
4407 Railroad Avenue, East Chicago, Indiana

Martin W. Salzman
Schwartz, Cooper, Greenberger &
Krauss, Chtd.
180 North LaSalle Street, Suite 2700
Chicago, Illinois 60601

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10860
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**MORTGAGE, SECURITY AGREEMENT,
ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING**

THIS MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING ("Mortgage") is made dated as of January 2, 2002, from **EAST CHICAGO ENTERPRISE CENTER LIMITED PARTNERSHIP**, an Illinois limited partnership (the "Mortgagor"), to **LASALLE BANK NATIONAL ASSOCIATION**, a national banking association (the "Mortgagee"):

RECITALS:

A. Enterprise Center I, L.P., an Illinois limited partnership, Enterprise Center II L.P., an Illinois limited partnership, Enterprise Center III, L.P., an Illinois limited partnership, Enterprise Center IV, L.P., an Illinois limited partnership, Enterprise Center V, L.P., an Illinois limited partnership, and Enterprise Center VI, L.P., an Illinois limited partnership (collectively, the "Obligors"), are concurrently herewith entering into a Master Reimbursement Agreement or even date herewith (the "Reimbursement Agreement"), pursuant to which the Mortgagee will issue irrevocable, transferable direct pay letters of credit in an amount not exceeding \$25,241,095 in the aggregate (the "Letters of Credit") (the Letters of Credit are being issued to secure the timely payment of principal of and interest on Variable Rate Demand Industrial Development Revenue Bonds (the "Bonds") issued by the Indiana Development Finance Authority (the "Issuer"), which are more fully described in the Reimbursement Agreement).

B. To secure timely repayment of the Obligors' obligations under the Reimbursement Agreement, Mortgagee has requested that Mortgagor execute this Mortgage.

C. Mortgagee and the Obligors, among others, among others, previously entered into various transactions involving the issuance of letters of credit in connection with the Bonds and other industrial development revenue bonds (the "Existing Transactions").

D. In consideration of Mortgagor executing this Mortgage, Mortgagor will be released from its obligations under the Existing Transactions, and the Bank will issue the Letters of Credit.

E. It is in the financial interests of the Mortgagor to be released from its obligations under the Existing Transactions and to execute this Mortgage.

F. It is a condition precedent to the issuance of the Letters of Credit that the Mortgagor execute this Mortgage.

NOW, THEREFORE, in order to induce the Mortgagee to enter into the Reimbursement Agreement and to issue the Letters of Credit and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Mortgagor agrees as follows:

WITNESSETH:

1. **Definitions.** The terms hereafter defined (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this Mortgage shall have the respective meanings as hereafter specified:

“Applicable Foreclosure Law” is defined in Paragraph 19(a).

“Affiliate” is defined in Paragraph 17.

“Bonds” is defined in Recital Paragraph A.

“Bond Counsel” means the counsel who rendered the opinion as to the tax-exempt status of interest on the Bonds or other nationally recognized municipal bond counsel mutually acceptable to the Mortgagee.

“Code” is defined in Paragraph 2.

“Collateral” is defined in Paragraph 15.

“Contested Liens” is defined in Paragraph 30.

“Cure Period” is defined in Paragraph 18(b).

“Environmental Indemnity Agreement” means the Environmental Indemnity Agreement in favor of Mortgagee dated as of January 2, 2002 from Prime IRB Holdings II, LLC, Prime Group Realty, L.P., a Delaware limited partnership, Arlington Heights I, L.P., an Illinois limited partnership, Arlington Heights II, L.P., an Illinois limited partnership, Arlington Heights III, L.P., an Illinois limited partnership, East Chicago Enterprise Center Limited Partnership, an Illinois limited partnership, Hammond Enterprise Center Limited Partnership, an Illinois limited partnership, Enterprise Center I, L.P., an Illinois limited partnership, Enterprise Center II, L.P., an Illinois limited partnership, Enterprise Center III, L.P., an Illinois limited partnership, Enterprise Center IV, L.P., an Illinois limited partnership, Enterprise Center V, L.P., an Illinois limited partnership, Enterprise Center VI, L.P., an Illinois limited partnership, Enterprise Center VII, L.P., an Illinois limited partnership, Enterprise Center VIII, L.P., an Illinois limited partnership, Enterprise Center IX, L.P., an Illinois limited partnership, and Enterprise Center X, L.P., an Illinois limited partnership.

“Event of Default” is defined in Paragraph 18.

“Existing Transactions” is defined in Recital Paragraph C.

“Guaranty” means the Guaranty Agreement dated as of January 2, 2002, from the Guarantor to the Mortgagee.

“Guarantor” means Prime Group Realty, L.P., a Delaware limited partnership.

“Hazardous Material” means any substance, material, waste, gas or particulate matter which is regulated by any local governmental authority, the State of Illinois or the United States Government including, but not limited to, any material or substance which is (i) defined as a “hazardous waste,” “hazardous material,” “hazardous substance,” “extremely hazardous substance” or “restricted hazardous waste” under any provision of Illinois law, (ii) petroleum, (iii) asbestos, (iv) polychlorinated biphenyl, (v) radioactive material, (vi) designated as “hazardous substance” pursuant to Section 311 of the Clean Water Act, 33 U.S.C. §§ 1251 *et seq.*, (vii) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recover Act, 42 U.S.C. §§ 6901 *et seq.*, (viii) defined as a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601 *et seq.*, or (ix) defined as a “toxic chemical,” “hazardous chemical” or “extremely hazardous chemical” pursuant to the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 *et seq.*

“Improvements” is defined in Paragraph 2.

“Indebtedness” is defined in Paragraph 2(g).

“Indemnity” is defined in Paragraph 37.

“Issuer” is defined in Recital Paragraph A.

“Leases” is defined in Paragraph 2.

“Letters of Credit” is defined in Recital Paragraph A.

“Lien Amount” is defined in Paragraph 30(b).

“Mortgage” means this Mortgage, Assignment of Rents and Security Agreement dated as of January 2, 2002, from the Mortgagor to the Mortgagee.

“Mortgagee” means LaSalle Bank National Association, a national banking association.

“Mortgagor” means East Chicago Enterprise Center Limited Partnership, an Illinois limited partnership.

“Permitted Exceptions” is defined in Paragraph 3.

“Personal Property” is defined in Paragraph 15.

“Premises” means the real estate described in Exhibit A attached hereto and all improvements now and hereafter located thereon, and all other property, rights and interests described in the

granting clauses of this Mortgage.

“Prime Rate” means at any time and from time to time the rate of interest per annum most recently announced or published by the Mortgagee as its Prime Rate or otherwise named equivalent rate of interest, which rate of interest shall not necessarily be the lowest rate of interest which the Mortgagee charges. Any change in the Prime Rate shall take effect on the day of the announcement thereof by the Mortgagee.

“Prohibited Transfer” is defined in Paragraph 16.

“Real Estate” is defined in Paragraph 2.

“Reimbursement Agreement” is defined in Recital Paragraph A.

“Reimbursement Documents” means the Reimbursement Agreement, the Letters of Credit, this Mortgage, the Guaranty, the Environmental Indemnity Agreement, and any other agreement or instrument relating to the Reimbursement Agreement or to the transactions contemplated thereby.

“Taxes” is defined in Paragraph 5.

2. **Grant.** The Mortgagor hereby **GRANTS, BARGAINS, SELLS, CONVEYS AND MORTGAGES** to the Mortgagee and its successors and assigns forever, under and subject to the terms and conditions hereinafter set forth, all of the Mortgagor’s right, title and interest in and to the real property located in the County of Lake and State of Indiana (the “Real Estate”), described in Exhibit A attached hereto and by this reference incorporated herein, including all improvements now and hereafter located thereon;

TOGETHER WITH all improvements of every nature whatsoever now or hereafter situated on the Real Estate, and all fixtures and personal property of every nature whatsoever now or hereafter owned by Mortgagor and on, or used in connection with the Real Estate or the improvements thereon, or in connection with any construction thereon, including all extensions, additions, improvements, betterments, renewals, substitutions and replacements to any of the foregoing and all of the right, title and interest of Mortgagor in and to any such personal property or fixtures together with the benefit of any deposits or payments now or hereafter made on such personal property or fixtures by Mortgagor or on its behalf (“Improvements”);

TOGETHER WITH all easements, rights of way, gores of real estate, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way now or hereafter belonging, relating or appertaining to the Real Estate, and the reversions, remainders, rents, issues and profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, of Mortgagor of, in and to the same;

TOGETHER WITH all rents, revenues, issues, profits, proceeds, income, royalties, escrows, letter of credit rights, supporting obligations, security deposits, impounds, reserves, tax refunds and other rights to monies from the Premises and/or the businesses and operations conducted by Mortgagor thereon, to be applied against the Indebtedness; provided, however, that Mortgagor, so long as no Event of Default has occurred hereunder, may collect rent as it becomes due, but not more than one (1) month in advance thereof;

TOGETHER WITH all interest of Mortgagor in all leases now or hereafter on the Premises, whether written or oral ("Leases"), together with all security therefor and all monies payable thereunder, subject, however, to the conditional permission hereinabove given to Mortgagor to collect the rentals under any such Lease;

TOGETHER WITH all fixtures and articles of personal property now or hereafter owned by Mortgagor and forming a part of or used in connection with the Real Estate or the Improvements, including, but without limitation, any and all air conditioners, antennae, appliances, apparatus, awnings, basins, bathtubs, bidets, boilers, bookcases, cabinets, carpets, coolers, curtains, dehumidifiers, disposals, doors, drapes, dryers, ducts, dynamos, elevators, engines, equipment, escalators, exercise equipment, fans, fittings, floor coverings, furnaces, furnishings, furniture, hardware, heaters, humidifiers, incinerators, lighting, machinery, motors, ovens, pipes, plumbing, pumps, radiators, ranges, recreational facilities, refrigerators, screens, security systems, shades, shelving, sinks, sprinklers, stokers, stoves, toilets, ventilators, wall coverings, washers, windows, window coverings, wiring, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to the Real Estate or the Improvements in any manner; it being mutually agreed that all of the aforesaid property owned by Mortgagor and placed on the Real Estate or the Improvements, so far as permitted by law, shall be deemed to be fixtures, a part of the realty, and security for the Indebtedness; notwithstanding the agreement hereinabove expressed that certain articles of property form a part of the realty covered by this Mortgage and be appropriated to its use and deemed to be realty, to the extent that such agreement and declaration may not be effective and that any of said articles may constitute goods (as said term is used in the Uniform Commercial Code of the State of Indiana ("Code"), this instrument shall constitute a security agreement, creating a security interest in such goods, as collateral, in Mortgagor, as a secured party, and Mortgagor, as Debtor, all in accordance with the Code; and

TOGETHER WITH all of Mortgagor's interests in "general intangibles" including "payment intangibles" (as defined in the Code) now owned or hereafter acquired and related to the Premises, including, without limitation, all of Mortgagor's right, title and interest in and to: (i) all agreements, licenses, permits and contracts to which Mortgagor is or may become a party and which relate to the Premises; (ii) all obligations and indebtedness owed to Mortgagor thereunder; (iii) all intellectual property related to the Premises; and (iv) all choses in action and causes of action relating to the Premises;

TOGETHER WITH all of Mortgagor's "accounts" (as defined in the Code) now owned or hereafter created or acquired as relate to the Premises, including, without limitation, all of the

following now owned or hereafter created or acquired by Mortgagor: (i) accounts receivable, contract rights, health care insurance receivables, book debts, notes, drafts, and other obligations or indebtedness owing to the Mortgagor arising from the sale, lease or exchange of goods or other property and/or the performance of services; (ii) the Mortgagor's rights in, to and under all purchase orders for goods, services or other property; (iii) the Mortgagor's rights to any goods, services or other property represented by any of the foregoing; (iv) monies due to become due to the Mortgagor under all contracts for the sale, lease or exchange of goods or other property and/or the performance of services including the right to payment of any interest or finance charges in respect thereto (whether or not yet earned by performance on the part of the Mortgagor); (v) uncertificated securities and investment property, and (vi) proceeds of any of the foregoing and all collateral security and guaranties of any kind given by any person or entity with respect to any of the foregoing; and all warranties, guarantees, permits and licenses in favor of Mortgagor with respect to the Premises;

TOGETHER WITH all proceeds of the foregoing, including, without limitation, all judgments, awards of damages and settlements hereafter made resulting from condemnation proceeds or the taking of the Premises or any portion thereof under the power of eminent domain, any proceeds of any policies of insurance, maintained with respect to the Premises or proceeds of any sale, option or contract to sell the Premises or any portion thereof.

TO HAVE AND TO HOLD the Premises, unto Mortgagee, its successors and assigns, forever, for the purposes and upon the uses herein set forth together with all right to possession of the Premises after the occurrence of any Event of Default; Mortgagee hereby **RELEASING AND WAIVING** all rights under and by virtue of the homestead exemption laws of the State of Indiana.

FOR THE PURPOSE OF SECURING the following (but not exceeding **\$50,000,000** in the aggregate):

- (a) The full and prompt payment of all amounts required to be paid by the Obligors pursuant to the Reimbursement Agreement;
- (b) The timely performance and observance by the Obligors of all of their other covenants, agreements and other obligations under the Reimbursement Agreement;
- (c) Performance and observance by the Mortgagor of all of the terms, covenants and provisions of this Mortgage; and
- (d) Performance and observance by the parties thereto of all of the terms, covenants and provisions of the other Reimbursement Documents;
- (e) Payment of all sums advanced by the Mortgagee to perform any of the terms, covenants and provisions of this Mortgage or any of the other Reimbursement Documents, or otherwise advanced by the Mortgagee pursuant to the provisions hereof or any of such other documents to protect the property hereby mortgaged and pledged;

(f) Payment of any and all future and further advances made by Mortgagee pursuant to the terms of the Reimbursement Agreement or any of the other Reimbursement Documents, all of which future and further advances shall have, the extent permitted by law, the same priority as if advanced at the date of this Mortgage; and

(g) Performance and observance of all of the terms, covenants and provisions of any other instrument given to evidence or further secure the payment and performance of any indebtedness hereby secured or any obligation secured hereby (collectively, "Indebtedness").

3. **Title.** Mortgagor represents, warrants and covenants that (a) Mortgagor is the holder of the fee simple title to the Premises, free and clear of all liens and encumbrances, except those liens and encumbrances in favor of Mortgagee and as otherwise described on Exhibit B attached hereto ("Permitted Exceptions"); and (b) Mortgagor has legal power and authority to mortgage and convey the Premises.

4. **Maintenance, Repair, Restoration, Prior Liens, Parking.** Mortgagor covenants that, so long as any portion of the Indebtedness remains unpaid, Mortgagor will:

(a) promptly repair, restore or rebuild any Improvements now or hereafter on the Premises which may become damaged or be destroyed to a condition substantially similar to the condition immediately prior to such damage or destruction, whether or not proceeds of insurance are available or sufficient for the purpose;

(b) keep the Premises in good condition and repair, without waste, and free from mechanics', materialmen's or like liens or claims or other liens or claims for lien (subject to Mortgagor's right to contest liens as permitted by the terms of Paragraph 30 hereof);

(c) pay when due the Indebtedness in accordance with the terms of the Reimbursement Agreement and the other Reimbursement Documents and duly perform and observe all of the terms, covenants and conditions to be observed and performed by Mortgagor under the Reimbursement Documents;

(d) pay when due any indebtedness which may be secured by a permitted lien or charge on the Premises on a parity with, superior to or inferior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such lien to the Mortgagee (subject to Mortgagor's right to contest liens as permitted by the terms of Paragraph 30 hereof);

(e) complete within a reasonable time any Improvements now or at any time in the process of erection upon the Premises;

(f) comply with all requirements of law, municipal ordinances or restrictions and covenants of record with respect to the Premises and the use thereof;

(g) obtain and maintain in full force and effect, and abide by and satisfy the material terms and conditions of, all material permits, licenses, registrations and other authorizations with or granted by any governmental authorities that may be required from time to time with respect to the performance of its obligations under this Mortgage;

(h) make no material alterations in the Premises or demolish any portion of the Premises without Mortgagee's prior written consent, except as required by law or municipal ordinance;

(i) suffer or permit no change in the use or general nature of the occupancy of the Premises, without the Mortgagee's prior written consent;

(j) pay when due all operating costs of the Premises;

(k) not initiate or acquiesce in any zoning reclassification with respect to the Premises, without Mortgagee's prior written consent;

(l) provide and thereafter maintain adequate parking areas within the Premises as may be required by law, ordinance or regulation (whichever may be greater), together with any sidewalks, aisles, streets, driveways and sidewalk cuts and sufficient paved areas for ingress, egress and right-of-way to and from the adjacent public thoroughfares necessary or desirable for the use thereof; and

(m) cause the Premises at all times to be operated in compliance with all federal, state, local and municipal environmental, health and safety laws, statutes, ordinances, rules and regulations.

5. **Payment of Taxes and Assessments.** Mortgagor will pay when due and before any penalty attaches, all general and special taxes, assessments, water charges, sewer charges, and other fees, taxes, charges and assessments of every kind and nature whatsoever (all herein generally called "Taxes"), whether or not assessed against Mortgagor, if applicable to the Premises or any interest therein, or the Indebtedness, or any obligation or agreement secured hereby, subject to Mortgagor's right to contest the same, as provided by the terms hereof; and Mortgagor will, upon written request, furnish to the Mortgagee duplicate receipts therefor within ten (10) days after Mortgagee's request.

6. **Tax Deposits.** Upon an Event of Default, Mortgagor shall deposit with Mortgagee, on the first day of each month until the Indebtedness is fully paid, a sum equal to one-twelfth (1/12th) of 105% of the most recent ascertainable annual Taxes on the Premises. If requested by Mortgagee, Mortgagor shall also deposit with Mortgagee an amount of money which, together with the aggregate of the monthly deposits to be made pursuant to the preceding sentence as of one month prior to the date on which the next installment of annual Taxes for the current calendar year become due, shall be sufficient to pay in full such installment of annual Taxes, as estimated by Mortgagee. Such deposits are to be held without any allowance of interest and are to be used for the payment

of Taxes next due and payable when they become due. If the funds so deposited are insufficient to pay any such Taxes for any year (or installments thereof, as applicable) when the same shall become due and payable, Mortgagor shall, within ten (10) days after receipt of written demand therefor, deposit additional funds as may be necessary to pay such Taxes in full. If the funds so deposited exceed the amount required to pay such Taxes for any year, the excess shall be applied toward subsequent deposits. Said deposits need not be kept separate and apart from any other funds of Mortgagee. Mortgagee, in making any payment hereby authorized relating to Taxes, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof.

7. **Mortgagee's Interest In and Use of Deposits.** Upon an Event of Default, Mortgagee may, at its option, apply any monies at the time on deposit pursuant to Paragraph 6 hereof to cure an Event of Default or to pay any of the Indebtedness in such order and manner as Mortgagee may elect. If such deposits are used to cure an Event of Default or pay any of the Indebtedness, Mortgagor shall immediately, upon demand by Mortgagee, deposit with Mortgagee an amount equal to the amount expended by Mortgagor from the deposits. When the Indebtedness has been fully paid, any remaining deposits shall be returned to Mortgagor. Such deposits are hereby pledged as additional security for the Indebtedness and shall not be subject to the direction or control of Mortgagor. Mortgagee shall not be liable for any failure to apply to the payment of Taxes any amount so deposited unless Mortgagor, prior to an Event of Default, shall have requested Mortgagee in writing to make application of such funds to the payment of such amounts, accompanied by the bills for such Taxes. Mortgagee shall not be liable for any act or omission taken in good faith or pursuant to the instruction of any party.

8. **Insurance.**

(a) Mortgagor shall at all times keep all buildings, improvements, fixtures and articles of personal property (excluding such coverage required to be carried under tenant's Leases) now or hereafter situated on the Premises insured against loss or damage by fire and such other hazards as may reasonably be required by Mortgagee, in accordance with the terms, coverages and provisions described on Exhibit C attached hereto and made a part hereof, and such other insurance as Mortgagee may from time to time reasonably require. Unless Mortgagor provides Mortgagee evidence of the insurance coverages required hereunder, Mortgagee may purchase insurance at Mortgagor's expense to cover Mortgagee's interest in the Premises. The insurance may, but need not, protect Mortgagor's interest. The coverages that Mortgagee purchases may not pay any claim that Mortgagor makes or any claim that is made against Mortgagor in connection with the Premises. Mortgagor may later cancel any insurance purchased by Mortgagee, but only after providing Mortgagee with evidence that Mortgagor has obtained insurance as required by this Mortgage. If Mortgagee purchases insurance for the Premises, Mortgagor will be responsible for the costs of such insurance, including, without limitation, interest and any other charges which Mortgagee may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the

Indebtedness. The cost of the insurance may be more than the cost of insurance Mortgagor may be able to obtain on its own.

(b) Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless Mortgagee is included thereon as the loss payee or an additional insured as applicable, under a standard mortgage clause acceptable to Mortgagee and such separate insurance is otherwise acceptable to Mortgagee.

(c) In the event that during the term of this Mortgage, the Premises or any part thereof is destroyed (in whole or in part) or is damaged by fire or other casualty, or title to or any interest in, or the temporary use of, the Premises or any part thereof or the interest of the Mortgagor in the Premises or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the Mortgagor shall, within sixty (60) days thereafter, (i) commence to repair, restore or replace the property damaged, destroyed or condemned, or (ii) furnish to the Mortgagee a certificate by a licensed architect and the Mortgagor acceptable to the Mortgagee, to the effect that property damaged, destroyed or condemned is not essential to the use or possession of the Premises and that the failure to repair, restore or replace such property will not reduce the value of the Premises; provided, however, that with respect to the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the sixty (60) day period referred to hereinabove shall commence on the date on which the said governmental authority, pursuant to the power of eminent domain, shall exercise such power by the taking of possession of all or a portion of the Premises or the proscribing of the use and/or possession of all or a portion of the Premises by the Mortgagor.

(d) Subject to any contrary provisions contained in the Reimbursement Agreement, the proceeds of any insurance or condemnation award payable as a result of any of the events referred to in this Section shall be deposited with the Mortgagee and applied as described in this subsection (d). If the Mortgagor shall elect to proceed as described in clause (i) in subsection (c) of this Section, the repair, restoration and replacement of the property damaged, destroyed or condemned shall be diligently and continuously prosecuted by the Mortgagor and, unless an Event of Default (or an event which with the passage of time or the giving of notice or both will become an Event of Default) has occurred and is continuing or unless the immediately following sentence is applicable, all proceeds of insurance and condemnation awards shall be disbursed by the Mortgagee to pay the costs of such repair, restoration or replacement as provided in subsection (e) below. If the Mortgagor shall elect to proceed as described in clause (i) of subsection (c) and the proceeds of such insurance or condemnation award shall not exceed \$50,000, such proceeds shall be paid to the Mortgagor for the sole purpose of effecting such repairs, restorations and replacements. If the Mortgagor shall elect to proceed as described in clause (ii) in subsection (c), or if the Mortgagor shall elect to proceed as described in clause (i) but less than all of the proceeds

of any such insurance or condemnation award is used to pay such costs of repair, restoration or replacement of the property damaged, destroyed or condemned, the proceeds of any such insurance or condemnation award, or the unexpended balance thereof, as the case may be, shall be paid to the Mortgagee and the proceeds shall be disbursed in accordance with the Reimbursement Documents.

(e) As a condition to the disbursement of any proceeds deposited with the Mortgagee for the purpose of paying the costs of repairing, restoring or replacing all or any portion of the Premises, and upon the request of the Mortgagee:

(i) the Mortgagor shall deliver to the Mortgagee an opinion of Bond Counsel that the intended use of such proceeds will not adversely effect the tax exempt character of interest on the Bonds:

(ii) the Mortgagor shall deliver to the Mortgagee, for its review and approval, plans and specifications for the repairs, restorations and replacements to be effected by the Mortgagor, which plans and specifications shall be prepared by a licensed architect approved by the Mortgagee;

(iii) the architect preparing the plans and specifications for the repairs, restorations and replacements to be effected by the Mortgagor shall certify to the Mortgagee that proceeds from time to time on deposit with the Mortgagee are sufficient to complete such repairs, restorations and replacements; and

(iv) all proceeds be disbursed through and upon the terms of a construction loan escrow agreement with a title insurance company, such agreement to be in form and substance satisfactory to the Mortgagee.

9. **Condemnation.** If all or any part of the Premises are damaged, taken or acquired, either temporarily or permanently, in any condemnation proceeding, or by exercise of the right of eminent domain, the amount of any award or other payment for such taking or damages made in consideration thereof, to the extent of the full amount of the remaining unpaid Indebtedness, is, subject to any contrary provisions contained in the Reimbursement Agreement, hereby assigned to Mortgagee, who is empowered to collect and receive the same and to give proper receipts therefor in the name of Mortgagor and the same shall be paid forthwith to Mortgagee. Such award or monies shall deposited with the Mortgagee and the proceeds shall be disbursed in accordance with the Reimbursement Documents. Notwithstanding the provisions of this paragraph to the contrary, subject, however, to any contrary provisions contained in the Reimbursement Agreement, if any condemnation or taking of less than the entire Premises occurs and provided that no Event of Default and no event or circumstance which with the passage of time, the giving of notice or both would constitute an Event of Default then exists, and if such partial condemnation, in the reasonable discretion of Mortgagee, has no material adverse effect on the operation or value of the Premises, then the award or payment for such taking or consideration for damages resulting therefrom may be collected and received by Mortgagor, and Mortgagee hereby agrees that in such event it shall not

declare the Indebtedness to be due and payable, if it is not otherwise then due and payable.

10. **Stamp Tax.** If, by the laws of the United States of America, or of any state or political subdivision having jurisdiction over Mortgagor, any tax is due or becomes due in respect of the execution and delivery of this Mortgage, the Reimbursement Agreement or any of the other Reimbursement Documents, Mortgagor shall pay such tax in the manner required by any such law. Mortgagor further agrees to reimburse Mortgagee for any sums which Mortgagee may expend by reason of the imposition of any such tax. Notwithstanding the foregoing, Mortgagor shall not be required to pay any income or franchise taxes of Mortgagee.

11. **Lease Assignment.** Mortgagor acknowledges that, concurrently herewith, Mortgagor has executed and delivered to Mortgagee, as additional security for the repayment of the obligations under the Reimbursement Agreement, an Assignment of Rents and Leases ("Assignment") pursuant to which Mortgagor has assigned to Mortgagee interests in the leases of the Premises and the rents and income from the Premises. All of the provisions of the Assignment are hereby incorporated herein as if fully set forth at length in the text of this Mortgage. Mortgagor agrees to abide by all of the provisions of the Assignment.

12. **Effect of Extensions of Time and Other Changes.** If the payment of the Indebtedness or any part thereof is extended or varied, if any part of any security for the payment of the Indebtedness is released, if the rate of interest charged under the Reimbursement Agreement is changed or if the time for payment thereof is extended or varied, all persons now or at any time hereafter liable therefor, or interested in the Premises or having an interest in Mortgagor, shall be held to assent to such extension, variation, release or change and their liability and the lien and all of the provisions hereof shall continue in full force, any right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding such extension, variation, release or change.

13. **Effect of Changes in Laws Regarding Taxation.** If any law is enacted after the date hereof requiring (a) the deduction of any lien on the Premises from the value thereof for the purpose of taxation or (b) the imposition upon Mortgagee of the payment of the whole or any part of the Taxes, charges or liens herein required to be paid by Mortgagor, or (c) a change in the method of taxation of mortgages or debts secured by mortgages or Mortgagee's interest in the Premises, or the manner of collection of taxes, so as to affect this Mortgage or the Indebtedness or the holders thereof, then Mortgagor, upon demand by Mortgagee, shall pay such Taxes or charges, or reimburse Mortgagee therefor; provided, however, that Mortgagor shall not be deemed to be required to pay any income or franchise taxes of Mortgagee. Notwithstanding the foregoing, if in the opinion of counsel for Mortgagee it is or may be unlawful to require Mortgagor to make such payment or the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then Mortgagee may declare all of the Indebtedness to be immediately due and payable.

14. **Mortgagee's Performance of Defaulted Acts and Expenses Incurred by Mortgagee.** If an Event of Default has occurred, Mortgagee may, but need not, make any payment

or perform any act herein required of Mortgagor in any form and manner deemed expedient by Mortgagee, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises or consent to any tax or assessment or cure any default of Mortgagor in any lease of the Premises. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees, and any other monies advanced by Mortgagee in regard to any tax referred to in Paragraph 10 above or to protect the Premises or the lien hereof, shall be so much additional Indebtedness, and shall become immediately due and payable by Mortgagor to Mortgagee, upon demand, and with interest thereon accruing from the date of such demand until paid at the Prime Rate plus four percent (4%). In addition to the foregoing, any costs, expenses and fees, including reasonable attorneys' fees, incurred by Mortgagee in connection with (a) sustaining the lien of this Mortgage or its priority, (b) protecting or enforcing any of Mortgagee's rights hereunder, (c) recovering any Indebtedness, (d) any litigation or proceedings affecting the Reimbursement Agreement, this Mortgage, any of the other Reimbursement Documents or the Premises, including without limitation, bankruptcy and probate proceedings, or (e) preparing for the commencement, defense or participation in any threatened litigation or proceedings affecting the Reimbursement Agreement, this Mortgage, any of the other Reimbursement Documents or the Premises, shall be so much additional Indebtedness, and shall become immediately due and payable by Mortgagor to Mortgagee, upon demand, and with interest thereon accruing from the date of such demand until paid at the Default Rate. The interest accruing under this Paragraph 14 shall be immediately due and payable by Mortgagor to Mortgagee, and shall be additional Indebtedness evidenced by the Reimbursement Agreement and secured by this Mortgage. Mortgagee's failure to act shall never be considered as a waiver of any right accruing to Mortgagee on account of any Event of Default. Should any amount paid out or advanced by Mortgagee hereunder, or pursuant to any agreement executed by Mortgagor in connection with the Loan, be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any lien or encumbrance upon the Premises or any part thereof, then Mortgagee shall be subrogated to any and all rights, equal or superior titles, liens and equities, owned or claimed by any owner or holder of said outstanding liens, charges and indebtedness, regardless of whether said liens, charges and indebtedness are acquired by assignment or have been released of record by the holder thereof upon payment.

15. **Security Agreement.** Mortgagor and Mortgagee agree that this Mortgage shall constitute a Security Agreement within the meaning of the Code with respect to (a) all sums at any time on deposit for the benefit of Mortgagor or held by the Mortgagee (whether deposited by or on behalf of Mortgagor or anyone else) pursuant to any of the provisions of this Mortgage or the other Reimbursement Documents, and (b) with respect to any personal property included in the granting clauses of this Mortgage, which personal property may not be deemed to be affixed to the Premises or may not constitute a "fixture" (within the meaning of the Code) and (c) all of the property owned by Mortgagor described on Exhibit D attached hereto and made a part hereof (which property is hereinafter referred to as "Personal Property"), and all replacements of, substitutions for, additions to, and the proceeds thereof (all of said Personal Property and the replacements, substitutions and additions thereto and the proceeds thereof being sometimes hereinafter collectively referred to as "Collateral"), and that a security interest in and to the Collateral is hereby granted to the Mortgagee, and the Collateral and all of Mortgagor's right, title and interest therein are hereby assigned to

Mortgagee, all to secure payment of the Indebtedness. All of the provisions contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Premises; and the following provisions of this Paragraph 15 shall not limit the applicability of any other provision of this Mortgage but shall be in addition thereto:

- (a) Mortgagor (being the Debtor as that term is used in the Code) is and will be the true and lawful owner of the Collateral and has rights in the power to transfer the Collateral, subject to no liens, charges or encumbrances other than the lien hereof, other liens and encumbrances benefitting Mortgagee and no other party, and liens and encumbrances, if any, expressly permitted by the other Reimbursement Documents.
- (b) The Collateral is to be used by Mortgagor solely for business purposes.
- (c) The Collateral will be kept at the Real Estate, will not be removed therefrom without the consent of Mortgagee (being the Secured Party as that term is used in the Code). The Collateral may be affixed to the Real Estate but will not be affixed to any other real estate.
- (d) The only persons having any interest in the Premises are Mortgagor, Mortgagee and holders of interests, if any, expressly permitted hereby.
- (e) No Financing Statement (other than Financing Statements showing Mortgagee as the sole secured party, or with respect to liens or encumbrances, if any, expressly permitted hereby) covering any of the Collateral or any proceeds thereof is on file in any public office except pursuant hereto; and Mortgagor, at its own cost and expense, upon demand, will furnish to Mortgagee such further information and will execute and deliver to Mortgagee such financing statements and other documents in form satisfactory to Mortgagee and will do all such acts as Mortgagee may request at any time or from time to time or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Indebtedness, subject to no other liens or encumbrances, other than liens or encumbrances benefitting Mortgagee and no other party and liens and encumbrances (if any) expressly permitted hereby; and Mortgagor will pay the cost of filing or recording such financing statements or other documents, and this instrument, in all public offices wherever filing or recording is deemed by Mortgagee to be desirable.
- (f) Upon an Event of Default hereunder, Mortgagee shall have the remedies of a secured party under the Code, including, without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose, so far as Mortgagor can give authority therefor, with or without judicial process, may enter (if this can be done without breach of the peace) upon any place which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code); and Mortgagee shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Mortgagor's right of redemption in satisfaction of Mortgagor's obligations, as provided in the Code. Mortgagee

may render the Collateral unusable without removal and may dispose of the Collateral on the Premises. Mortgagee may require Mortgagor to assemble the Collateral and make it available to Mortgagee for its possession at a place to be designated by Mortgagee which is reasonably convenient to both parties. Mortgagee will give Mortgagor at least ten (10) days' notice (or such longer notice as may be expressly required under the Code) of the time and place of any public sale of the Collateral or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by certified United States mail or equivalent, postage prepaid, to the address of Mortgagor hereinafter set forth at least ten (10) days before the time of the sale or disposition. Mortgagee may buy at any public sale. Mortgagee may buy at private sale if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations. Any such sale may be held in conjunction with any foreclosure sale of the Premises. If Mortgagee so elects, the Premises and the Collateral may be sold as one lot. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling and the reasonable attorneys' fees and legal expenses incurred by Mortgagee, shall be applied against the Indebtedness in such order or manner as Mortgagee shall select. Mortgagee will account to Mortgagor for any surplus realized on such disposition.

(g) The terms and provisions contained in this Paragraph 15, unless the context otherwise requires, shall have the meanings and be construed as provided in the Code.

(h) This Mortgage is intended to be a financing statement within the purview of the Code with respect to the Collateral and the goods described herein, which goods are or may become fixtures relating to the Premises. The addresses of Mortgagor (Debtor) and Mortgagee (Secured Party) are hereinbelow set forth. This Mortgage is to be filed for recording with the Recorder of Deeds of the county or counties where the Premises are located.

(i) To the extent permitted by applicable law, the security interest created hereby is specifically intended to cover all Leases between Mortgagor or its agents as lessor, and various tenants named therein, as lessee, including all extended terms and all extensions and renewals of the terms thereof, as well as any amendments to or replacement of said Leases, together with all of the right, title and interest of Mortgagor, as lessor thereunder.

(j) Mortgagor represents and warrants that:

- (i) Mortgagor is the record owner of the Premises;
- (ii) Mortgagor's chief executive office is located in the State of **Illinois**;
- (iii) Mortgagor's state of formation is the State of Illinois;
- (iv) Mortgagor's exact legal name is as set forth in the first paragraph of this Mortgage; and

- (v) Mortgagor's organizational identification number is C002480.
- (k) Mortgagor agrees that:
 - (i) Mortgagee is authorized to file a financing statement describing the Collateral;
 - (ii) Where Collateral is in possession of a third party, Mortgagor will join with the Mortgagee in notifying the third party of the Mortgagee's interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of Mortgagee;
 - (iii) Mortgagor will cooperate with the Mortgagee in obtaining control with respect to Collateral consisting of: deposit accounts, investment property, letter of credit rights and electronic chattel paper; and
 - (iv) Until the Indebtedness is paid in full, Mortgagor will not change the state where it is located or change its company name without giving the Mortgagee at least 30 days' prior written notice in each instance.

16. **Restrictions on Transfer.**

(a) Except as expressly permitted under (and in accordance with the terms and conditions of) the Reimbursement Agreement, Mortgagor, without the prior written consent of Mortgagee, shall not effect, suffer or permit any Prohibited Transfer (as defined herein). Any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation (or any agreement to do any of the foregoing) of any of the following properties or interests shall constitute a "Prohibited Transfer":

- (i) The Premises or any part thereof or interest therein;
- (ii) All or any part of the managing member or manager interest, as the case may be, in a limited liability company Mortgagor or a limited liability company which is a general partner of a partnership Mortgagor;

in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly (including the nominee agreement), voluntarily or involuntarily, by operation of law or otherwise; provided, however, that the foregoing provisions of this Paragraph 16 shall not apply (i) to liens securing the Indebtedness, (ii) to the lien of current taxes and assessments not in default, (iii) to any transfers of the Premises, or part thereof, or interest therein, or any beneficial interests, or shares of stock or partnership or joint venture interests, as the case may be, by or on behalf of an owner thereof who is deceased or declared judicially incompetent, to such owner's heirs, legatees, devisees, executors, administrators,

estate or personal representatives, or (iv) to leases permitted by the terms of the Reimbursement Documents, if any.

(b) In determining whether or not to issue the Letters of Credit, Mortgagee evaluated the background and experience of Mortgagor and its members in owning and operating property such as the Premises, found it acceptable and relied and continues to rely upon same as the means of maintaining the value of the Premises which is part of Mortgagee's security for the obligations under the Reimbursement Agreement. Mortgagor and its members are well experienced in borrowing money and owning and operating property such as the Premises, were ably represented by a licensed attorney at law in the negotiation and documentation of the Reimbursement Agreement and Reimbursement Documents and bargained at arm's length and without duress of any kind for all of the terms and conditions of the Loan, including this provision.

17. **Single Asset Entity.** Mortgagor shall not hold or acquire, directly or indirectly, any ownership interest (legal or equitable) in any real or personal property other than the Premises, or become a shareholder of or a member or partner in any entity which acquires any property other than the Premises, until such time as the Indebtedness has been fully repaid. Mortgagor covenants:

(a) To maintain its assets, accounts, books, records, financial statements, stationery, invoices, and checks separate from and not commingled with any of those of any other person or entity;

(b) To conduct its own business in its own name, pay its own liabilities out of its own funds, allocate fairly and reasonably any overhead for shared employees and office space, and to maintain an arm's length relationship with its affiliates;

(c) To hold itself out as a separate entity, correct any known misunderstanding regarding its separate identity, maintain adequate capital in light of its contemplated business operations, and observe all organizational formalities;

(d) Not to guarantee or become obligated for the debts of any other entity or person or hold out its credits as being available to satisfy the obligations of others, including not acquiring obligations or securities of its partners, members or shareholders;

(e) Not to pledge its assets for the benefit of any other entity or person or make any loans or advances to any person or entity;

(f) Not to enter into any contract or agreement with any party which is directly or indirectly controlling, controlled by or under common control with Mortgagor (an "Affiliate"), except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any Affiliate;

(g) Neither Mortgagor nor any constituent party of Mortgagor will seek the

dissolution or winding up, in whole or in part, of Mortgagor, nor will Mortgagor merge with or be consolidated into any other entity;

(h) Mortgagor has and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any constituent party of Mortgagor, Affiliate, any of the Obligors, any guarantor of the Reimbursement Agreement or any other person;

(i) Mortgagor now has and will hereafter have no debts or obligations other than normal accounts payable in the ordinary course of business, this Mortgage, and the Loan; and any other indebtedness or other obligation of Mortgagor has been paid in full prior to or through application of proceeds from the funding of the Loan.

18. **Events of Default; Acceleration.** Each of the following shall constitute an "**Event of Default**" for purposes of this Mortgage:

(a) Mortgagor fails to pay (i) any installment of principal or interest payable pursuant to the Reimbursement Agreement on the date when due, or (ii) any other amount payable to Lender under the Reimbursement Agreement, this Mortgage or any of the other Reimbursement Documents within five (5) days after the date when any such payment is due in accordance with the terms hereof or thereof;

(b) Mortgagor fails to perform or cause to be performed any other obligation or observe any other condition, covenant, term, agreement or provision required to be performed or observed by Mortgagor under the Reimbursement Agreement, this Mortgage or any of the other Reimbursement Documents; provided, however, that if such failure by its nature can be cured, then so long as the continued operation and safety of the Premises, and the priority, validity and enforceability of the liens created by the Mortgage or any of the other Reimbursement Documents and the value of the Premises are not impaired, threatened or jeopardized, then Mortgagor shall have a period ("**Cure Period**") of thirty (30) days after Mortgagor obtains actual knowledge of such failure or receives written notice of such failure to cure the same and an Event of Default shall not be deemed to exist during the Cure Period, provided further that if Mortgagor commences to cure such failure during the Cure Period and is diligently and in good faith attempting to effect such cure, the Cure Period shall be extended for thirty (30) additional days, but in no event shall the Cure Period be longer than ninety (90) days in the aggregate;

(c) the existence of any inaccuracy or untruth in any material respect in any representation or warranty contained in this Mortgage or any of the other Reimbursement Documents or of any statement or certification as to facts delivered to Mortgagee by Mortgagor, any of the Obligors or any guarantor of the Reimbursement Agreement;

(d) Mortgagor, any of the Obligors or any guarantor of the Reimbursement Agreement files a voluntary petition in bankruptcy or is adjudicated a bankrupt or insolvent or files any petition or answer seeking any reorganization, arrangement, composition,

readjustment, liquidation, dissolution or similar relief under the present or any future federal, state, or other statute or law, or seeks or consents to or acquiesces in the appointment of any trustee, receiver or similar officer of Mortgagor or of all or any substantial part of the property of Mortgagor, any of the Obligor or any guarantor of the Reimbursement Agreement or any of the Premises or all or a substantial part of the assets of Mortgagor, any of the Obligor or any guarantor of the Reimbursement Agreement are attached, seized, subjected to a writ or distress warrant or are levied upon unless the same is released or located within thirty (30) days;

(e) the commencement of any involuntary petition in bankruptcy against Mortgagor, any of the Obligor or any guarantor of the Reimbursement Agreement or the institution against Mortgagor, any of the Obligor or any guarantor of the Reimbursement Agreement of any reorganization, arrangement, composition, readjustment, dissolution, liquidation or similar proceedings under any present or future federal, state or other statute or law, or the appointment of a receiver, trustee or similar officer for all or any substantial part of the property of Mortgagor, any of the Obligor or any guarantor of the Reimbursement Agreement which shall remain undismissed or undischarged for a period of ninety (90) days;

(f) the dissolution, termination or merger of Mortgagor, any of the Obligor or any guarantor of the Reimbursement Agreement or the occurrence of the death or declaration of legal incompetency of any individual guarantor of the Reimbursement Agreement;

(g) the occurrence of a Prohibited Transfer;

(h) the occurrence of an "Event of Default" under the Reimbursement Agreement or any of the other Reimbursement Documents; or

(i) the occurrence of any default or event of default, after the expiration of any applicable periods of notice or cure, under any document or agreement evidencing or securing any other obligation or indebtedness of Mortgagor to Mortgagee.

If an Event of Default occurs, Mortgagee may, at its option, declare the whole of the Indebtedness to be immediately due and payable without further notice to Mortgagor, with interest thereon accruing from the date of such Event of Default until paid at the Default Rate.

19. **Foreclosure; Expense of Litigation.**

(a) When all or any part of the Indebtedness shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such Indebtedness or part thereof and/or exercise any right, power or remedy provided in this Mortgage or any of the other Reimbursement Documents in accordance with applicable statutory or judicial law ("Applicable Foreclosure Law"). In the event of a foreclosure sale, Mortgagee is hereby authorized, without the consent of Mortgagor, to assign any and all insurance policies to the purchaser at such sale or to take such other steps as Mortgagee may

deem advisable to cause the interest of such purchaser to be protected by any of such insurance policies.

(b) In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to the title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature mentioned in this Paragraph 19 and such other expenses and fees as may be incurred in the enforcement of Mortgagor's obligations hereunder, the protection of said Premises and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Reimbursement Agreement, or the Premises, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding shall be immediately due and payable by Mortgagor, with interest thereon until paid at the Default Rate and shall be secured by this Mortgage.

20. **Application of Proceeds of Foreclosure Sale.** The proceeds of any foreclosure sale of the Premises shall be distributed and applied in accordance with Applicable Foreclosure Law and, unless otherwise specified thereby, in such order as Mortgagee may determine in its sole and absolute discretion.

21. **Appointment of Receiver.** Upon or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed shall, upon petition by Mortgagee, appoint a receiver for the Premises in accordance with Applicable Foreclosure Law. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the value of the Premises or whether the same shall be then occupied as a homestead or not and Mortgagee hereunder or any other holder of the Reimbursement Agreement may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of the Premises (i) during the pendency of such foreclosure suit, (ii) in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, and (iii) during any further times when Mortgagor, but for the intervention of such receiver, would be entitled to collect such rents, issues and profits. Such receiver also shall have all other powers and rights that may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during said period, including, to the extent permitted by law, the right to lease all or any portion of the Premises for a term that extends beyond the time of such receiver's possession without obtaining prior court approval of such lease. The court from time to time may authorize the

application of the net income received by the receiver in payment of (a) the Indebtedness, or by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale, and (b) any deficiency upon a sale and deficiency.

22. **Mortgagee's Right of Possession in Case of Default.** At any time after an Event of Default has occurred, Mortgagor shall, upon demand of Mortgagee, surrender to Mortgagee possession of the Premises. Mortgagee, in its discretion, may, with process of law, enter upon and take and maintain possession of all or any part of the Premises, together with all documents, books, records, papers and accounts relating thereto, and may exclude Mortgagor and its employees, agents or servants therefrom, and Mortgagee may then hold, operate, manage and control the Premises, either personally or by its agents. Mortgagee shall have full power to use such measures, legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the Premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent. Without limiting the generality of the foregoing, Mortgagee shall have full power to:

- (a) cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same;
- (b) elect to disaffirm any lease or sublease which is then subordinate to the lien hereof;
- (c) extend or modify any then existing leases and to enter into new leases, which extensions, modifications and leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the Maturity Date and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Indebtedness, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser;
- (d) make any repairs, renewals, replacements, alterations, additions, betterments and improvements to the Premises as Mortgagee deems are necessary;
- (e) insure and reinsure the Premises and all risks incidental to Mortgagee's possession, operation and management thereof; and
- (f) receive all of such avails, rents, issues and profits.

23. **Application of Income Received by Mortgagee.** Mortgagee, in the exercise of the

rights and powers hereinabove conferred upon it, shall have full power to use and apply the avails, rents, issues and profits of the Premises to the payment of or on account of the following, in such order as Mortgagee may determine:

(a) to the payment of the operating expenses of the Premises, including cost of management and leasing thereof (which shall include compensation to Mortgagee and its agent or agents, if management be delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinabove authorized;

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

(c) to the payment of any Indebtedness, including any deficiency which may result from any foreclosure sale.

24. **Compliance with Indiana Mortgage Foreclosure Law.**

(a) If any provision in this Mortgage shall be inconsistent with Applicable Foreclosure Law, then Applicable Foreclosure Law shall take precedence over such provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with Applicable Foreclosure Law.

(b) If any provision of this Mortgage shall grant to Mortgagee (including Mortgagee acting as a mortgagee-in-possession) or a receiver appointed pursuant to the provisions of Paragraph 21 of this Mortgage any powers, rights or remedies prior to, upon or following the occurrence of an Event of Default which are more limited than the powers, rights or remedies that would otherwise be vested in Mortgagee or in such receiver under Applicable Foreclosure Law in the absence of said provision, Mortgagee and such receiver shall be vested with the powers, rights and remedies granted in Applicable Foreclosure Law to the full extent permitted by law.

(c) Intentionally Omitted.

25. **Rights Cumulative.** Each right, power and remedy herein conferred upon Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing under any of the Reimbursement Documents or at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by Mortgagee, and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy, and no delay or omission

of Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any Event of Default or acquiescence therein.

26. **Mortgagee's Right of Inspection.** Mortgagee and its representatives shall have the right to inspect the Premises and the books and records with respect thereto at all reasonable times upon not less than twenty-four (24) hours prior notice to Mortgagor, and access thereto, subject to the rights of tenants in possession, shall be permitted for that purpose.

27. **Release Upon Payment and Discharge of Mortgagor's Obligations.** Mortgagee shall release this Mortgage and the lien hereof by proper instrument upon payment and discharge of all Indebtedness, including payment of all reasonable expenses incurred by Mortgagee in connection with the execution of such release.

28. **Notices.** Any notices, communications and waivers under this Mortgage shall be in writing and shall be (i) delivered in person, (ii) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or (iii) by overnight express carrier, addressed in each case as follows:

To Mortgagee:

LaSalle Bank National Association
135 S. LaSalle Street
Chicago, Illinois 60603
Attn: Jay Palmer

With copy to:

Schwartz, Cooper Greenberger & Krauss, Chtd.
180 North LaSalle Street, Suite 2700
Chicago, Illinois 60601
Attn: Martin Salzman

To Mortgagor:

c/o Prime Group Realty Trust
77 West Wacker Drive
Suite 3900
Chicago, Illinois 60601
Attn: Christopher Sultz
Attn: James F. Hoffman

With copy to:

Winston & Strawn
35 West Wacker Drive
Chicago, Illinois 60601
Attn: Wayne Boberg, Esq.

or to any other address as to any of the parties hereto, as such party shall designate in a written notice to the other party hereto. All notices sent pursuant to the terms of this Paragraph 28 shall be deemed

received (i) if personally delivered, then on the date of delivery, (ii) if sent by overnight, express carrier, then on the next federal banking day immediately following the day sent, or (iii) if sent by registered or certified mail, then on the earlier of the third federal banking day following the day sent or when actually received.

29. **Waiver of Rights.** The Mortgagor hereby covenants and agrees that it will not at any time insist upon or plead, or in any manner claim or take any advantage of, any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force providing for the valuation or appraisal of the Premises, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provisions herein contained, or to decree, judgment or order of any court of competent jurisdiction; or, after such sale or sales, claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshalling thereof, upon foreclosure sale or other enforcement hereof; and without limiting the foregoing:

(a) The Mortgagor hereby expressly waives any and all rights of reinstatement and redemption, if any, under any order or decree of foreclosure of this Mortgage, on its own behalf and on behalf of each and every person, it being the intent hereof that any and all such rights of reinstatement and redemption of the Mortgagor and of all other persons are and shall be deemed to be hereby waived to the full extent permitted by Applicable Foreclosure Law;

(b) The Mortgagor will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any right, power remedy herein or otherwise granted or delegated to the Mortgagee but will suffer and permit the execution of every such right, power and remedy as though no such law or laws had been made or enacted; and

(c) If the Mortgagor is a trustee, Mortgagor represents that the provisions of this Paragraph 29 (including the waiver of reinstatement and redemption rights) were made at the express direction of Mortgagor's beneficiaries and the persons having the power of direction over Mortgagor, and are made on behalf of the trust estate of Mortgagor and all beneficiaries of Mortgagor, as well as all other persons mentioned above.

30. **Contests.** Notwithstanding anything to the contrary herein contained, Mortgagor shall have the right to contest by appropriate legal proceedings diligently prosecuted any Taxes imposed or assessed upon the Premises or which may be or become a lien thereon and any mechanics', materialmen's or other liens or claims for lien upon the Premises (all herein called "Contested Liens"), and no Contested Liens shall constitute an Event of Default hereunder, if, but only if:

(a) Mortgagor shall forthwith give notice of any Contested Lien to Mortgagee at the time the same shall be asserted;

(b) Mortgagor shall either pay under protest or deposit with Mortgagee the full amount (herein called "Lien Amount") of such Contested Lien, together with such amount as Mortgagee may reasonably estimate as interest or penalties which might arise during the period of contest; provided that in lieu of such payment Mortgagor may furnish to Mortgagee a bond or title indemnity in such amount and form, and issued by a bond or title insuring company, as may be satisfactory to Mortgagee;

(c) Mortgagor shall diligently prosecute the contest of any Contested Lien by appropriate legal proceedings having the effect of staying the foreclosure or forfeiture of the Premises, and shall permit Mortgagee to be represented in any such contest and shall pay all expenses incurred, in so doing, including fees and expenses of Mortgagee's counsel (all of which shall constitute so much additional Indebtedness bearing interest at the Default Rate until paid, and payable upon demand);

(d) Mortgagor shall pay such Contested Lien and all Lien Amounts together with interest and penalties thereon (i) if and to the extent that any such Contested Lien shall be determined adverse to Mortgagor, or (ii) forthwith upon demand by Mortgagee if, in the opinion of Mortgagee, and notwithstanding any such contest, the Premises shall be in jeopardy or in danger of being forfeited or foreclosed; provided that if Mortgagor shall fail so to do, Mortgagee may, but shall not be required to, pay all such Contested Liens and Lien Amounts and interest and penalties thereon and such other sums as may be necessary in the judgment of the Mortgagee to obtain the release and discharge of such liens; and any amount expended by Mortgagee in so doing shall be so much additional Indebtedness bearing interest at the Default Rate until paid, and payable upon demand; and provided further that Mortgagee may in such case use and apply monies deposited as provided in subsection (b) above and may demand payment upon any bond or title indemnity furnished as aforesaid.

31. **Expenses Relating to Reimbursement Agreement and Mortgage.**

(a) Mortgagor will pay all expenses, charges, costs and fees relating to the Loan or necessitated by the terms of the Reimbursement Agreement, this Mortgage or any of the other Reimbursement Documents, including without limitation, Mortgagee's reasonable attorneys' fees in connection with the negotiation, documentation, administration, servicing and enforcement of the Reimbursement Agreement, this Mortgage and the other Reimbursement Documents, all filing, registration and recording fees, all other expenses incident to the execution and acknowledgment of this Mortgage and all federal, state, county and municipal taxes, and other taxes (provided Mortgagor shall not be required to pay any income or franchise taxes of Mortgagee), duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Reimbursement Agreement and this Mortgage. Mortgagor recognizes that, during the term of this Mortgage, Mortgagee:

(i) May be involved in court or administrative proceedings, including, without restricting the foregoing, foreclosure, probate, bankruptcy, creditors'

arrangements, insolvency, housing authority and pollution control proceedings of any kind, to which Mortgagee shall be a party by reason of the Reimbursement Documents or in which the Reimbursement Documents or the Premises are involved directly or indirectly;

(ii) May make preparations following the occurrence of an Event of Default hereunder for the commencement of any suit for the foreclosure hereof, which may or may not be actually commenced;

(iii) May make preparations following the occurrence of an Event of Default hereunder for, and do work in connection with, Mortgagee's taking possession of and managing the Premises, which event may or may not actually occur;

(iv) May make preparations for and commence other private or public actions to remedy an Event of Default hereunder, which other actions may or may not be actually commenced;

(v) May enter into negotiations with Mortgagor or any of its agents, employees or attorneys in connection with the existence or curing of any Event of Default hereunder, the sale of the Premises, the assumption of liability for any of the Indebtedness or the transfer of the Premises in lieu of foreclosure; or

(vi) May enter into negotiations with Mortgagor or any of its agents, employees or attorneys pertaining to Mortgagee's approval of actions taken or proposed to be taken by Mortgagor which approval is required by the terms of this Mortgage.

(b) All expenses, charges, costs and fees described in this Paragraph 31 shall be so much additional Indebtedness, shall bear interest from the date so incurred until paid at the Default Rate and shall be paid, together with said interest, by Mortgagor forthwith upon demand.

32. **Statement of Indebtedness.** Mortgagor, within seven days after being so requested by Mortgagee, shall furnish a duly acknowledged written statement setting forth the amount of the debt secured by this Mortgage, the date to which interest has been paid and stating either that no offsets or defenses exist against such debt or, if such offsets or defenses are alleged to exist, the nature thereof.

33. **Further Instruments.** Upon request of Mortgagee, Mortgagor shall execute, acknowledge and deliver all such additional instruments and further assurances of title and shall do or cause to be done all such further acts and things as may reasonably be necessary fully to effectuate the intent of this Mortgage and of the other Reimbursement Documents.

34. **Additional Indebtedness Secured.** All persons and entities with any interest in the Premises or about to acquire any such interest should be aware that this Mortgage secures more than the amount which may become due under the Reimbursement Agreement and interest thereon; this Mortgage secures any and all other amounts which may become due under the Reimbursement Agreement or any other document or instrument evidencing, securing or otherwise affecting the Indebtedness, including, without limitation, any and all amounts expended by Mortgagee to operate, manage or maintain the Premises or to otherwise protect the Premises or the lien of this Mortgage.

35. **Indemnity.** Mortgagor hereby covenants and agrees that no liability shall be asserted or enforced against Mortgagee in the exercise of the rights and powers granted to Mortgagee in this Mortgage, and Mortgagor hereby expressly waives and releases any such liability. Mortgagor shall indemnify and save Mortgagee harmless from and against any and all liabilities, obligations, losses, damages, claims, costs and expenses (including reasonable attorneys' fees and court costs) (collectively, "Claims") of whatever kind or nature which may be imposed on, incurred by or asserted against Mortgagee at any time by any third party which relate to or arise from: (a) any suit or proceeding (including probate and bankruptcy proceedings), or the threat thereof, in or to which Mortgagee may or does become a party, either as plaintiff or as a defendant, by reason of this Mortgage or for the purpose of protecting the lien of this Mortgage; (b) the offer for sale or sale of all or any portion of the Premises; and (c) the ownership, leasing, use, operation or maintenance of the Premises, if such Claims relate to or arise from actions taken prior to the surrender of possession of the Premises to Mortgagee in accordance with the terms of this Mortgage; provided, however, that Mortgagor shall not be obligated to indemnify or hold Mortgagee harmless from and against any Claims directly arising from the gross negligence or willful misconduct of Mortgagee. All costs provided for herein and paid for by Mortgagee shall be so much additional Indebtedness and shall become immediately due and payable upon demand by Mortgagee and with interest thereon from the date incurred by Mortgagee until paid at the Default Rate.

36. **Subordination of Property Manager's Lien.** Any property management agreement for the Premises entered into hereafter with a property manager shall contain a provision whereby the property manager agrees that any and all mechanics' lien rights that the property manager or anyone claiming by, through or under the property manager may have in the Premises shall be subject and subordinate to the lien of this Mortgage and shall provide that Mortgagee may terminate such agreement at any time after the occurrence of an Event of Default hereunder. Such property management agreement or a short form thereof, at Mortgagee's request, shall be recorded with the Recorder of Deeds of the county where the Premises are located. In addition, if the property management agreement in existence as of the date hereof does not contain a subordination provision, Mortgagor shall cause the property manager under such agreement to enter into a subordination of the management agreement with Mortgagee, in recordable form, whereby such property manager subordinates present and future lien rights and those of any party claiming by, through or under such property manager to the lien of this Mortgage.

37. **Compliance with Environmental Laws.** Mortgagor acknowledges that concurrently

herewith Mortgagor has executed and delivered to Mortgagee an Environmental Indemnity Agreement (“Indemnity”) pursuant to which Mortgagor and Guarantor (as defined in the Reimbursement Agreement have fully indemnified Mortgagee for certain environmental matters concerning the Premises, as more particularly described therein. The provisions of the Indemnity are hereby incorporated herein and this Mortgage shall secure the obligations of Mortgagor thereunder. Mortgagor agrees to abide by all of the provisions of the Indemnity.

38. **Miscellaneous.**

(a) **Successors and Assigns.** This Mortgage and all provisions hereof shall be binding upon and enforceable against Mortgagor and its assigns and other successors. This Mortgage and all provisions hereof shall inure to the benefit of Mortgagee, its successors and assigns under the Reimbursement Agreement.

(b) **Invalidity of Provisions; Governing Law.** In the event that any provision of this Mortgage is deemed to be invalid by reason of the operation of law, or by reason of the interpretation placed thereon by any administrative agency or any court, Mortgagor and Mortgagee shall negotiate an equitable adjustment in the provisions of the same in order to effect, to the maximum extent permitted by law, the purpose of this Mortgage and the validity and enforceability of the remaining provisions, or portions or applications thereof, shall not be affected thereby and shall remain in full force and effect. This Mortgage is to be construed in accordance with and governed by the laws of the State of Indiana.

(c) **Municipal Requirements.** Mortgagor shall not by act or omission permit any building or other improvement on premises not subject to the lien of this Mortgage to rely on the Premises or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Premises or any interest therein to be so used. Similarly, no building or other improvement on the Premises shall rely on any premises not subject to the lien of this Mortgage or any interest therein to fulfill any governmental or municipal requirement. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this subparagraph shall be void.

(d) **Rights of Tenants.** Mortgagee shall have the right and option to commence a civil action to foreclose this Mortgage and to obtain a decree of foreclosure and sale subject to the rights of any tenant or tenants of the Premises having an interest in the Premises prior to that of Mortgagee. The failure to join any such tenant or tenants of the Premises as party defendant or defendants in any such civil action or the failure of any decree of foreclosure and sale to foreclose their rights shall not be asserted by Mortgagor as a defense in any civil action instituted to collect the Indebtedness, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Premises, any statute or rule of law at any time existing to the contrary notwithstanding.

(e) **Option of Mortgagee to Subordinate.** At the option of Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any condemnation or eminent domain award) to any and all leases of all or any part of the Premises upon the execution by Mortgagee of a unilateral declaration to that effect and the recording thereof in the Office of the Recorder of Deeds in and for the county wherein the Premises are situated.

(f) **Mortgagee-in-Possession.** Nothing herein contained shall be construed as constituting Mortgagee a mortgagee-in-possession in the absence of the actual taking of possession of the Premises by Mortgagee pursuant to this Mortgage.

(g) **Relationship of Mortgagee and Mortgagor.** Mortgagee shall in no event be construed for any purpose to be a partner, joint venturer, agent or associate of Mortgagor or of any lessee, operator, concessionaire or licensee of Mortgagor in the conduct of their respective businesses, and, without limiting the foregoing, Mortgagee shall not be deemed to be such partner, joint venturer, agent or associate on account of Mortgagee becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage, any of the other Reimbursement Documents, or otherwise. The relationship of Mortgagor and Mortgagee hereunder is solely that of debtor/creditor.

(h) **Time of the Essence.** Time is of the essence of the payment by Mortgagor of all amounts due and owing to Mortgagee under the Reimbursement Agreement and the other Reimbursement Documents and the performance and observance by Mortgagor of all terms, conditions, obligations and agreements contained in this Mortgage and the other Reimbursement Documents.

(i) **No Merger.** The parties hereto intend that the Mortgage and the lien hereof shall not merge in fee simple title to the Premises, and if Mortgagee acquires any additional or other interest in or to the Premises or the ownership thereof, then, unless a contrary intent is manifested by Mortgagee as evidenced by an express statement to that effect in an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title and this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

(j) **Maximum Indebtedness.** Notwithstanding anything contained herein to the contrary, in no event shall the Indebtedness exceed an amount equal to **\$50,000,000**; provided, however, in no event shall Mortgagee be obligated to advance funds in excess the amount agreed under the Reimbursement Agreement.

(k) **Consent to Jurisdiction.** **TO INDUCE MORTGAGEE TO ENTER INTO THE REIMBURSEMENT AGREEMENT, MORTGAGOR IRREVOCABLY AGREES THAT, SUBJECT TO MORTGAGEE'S SOLE AND ABSOLUTE ELECTION, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF**

OR RELATED TO THE REIMBURSEMENT AGREEMENT AND THIS MORTGAGE WILL BE LITIGATED IN COURTS HAVING SITUS IN CHICAGO, ILLINOIS. MORTGAGOR HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY COURT LOCATED WITHIN CHICAGO, ILLINOIS.

(l) **Waiver of Jury Trial.** MORTGAGOR AND MORTGAGEE (BY ACCEPTANCE HEREOF), HAVING BEEN REPRESENTED BY COUNSEL EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (a) UNDER THIS MORTGAGE OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS MORTGAGE OR (b) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS MORTGAGE, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. MORTGAGOR AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST MORTGAGEE OR ANY OTHER PERSON INDEMNIFIED UNDER THIS MORTGAGE ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.

(m) **Complete Agreement.** This Mortgage, the Reimbursement Agreement and the other Reimbursement Documents constitute the complete agreement between the parties with respect to the subject matter hereof and the Reimbursement Documents may not be modified, altered or amended except by an agreement in writing signed by both Mortgagor and Mortgagee.


(n) **Remedies Against Other Collateral.** Mortgagor hereby acknowledges that certain Reimbursement Documents other than this Mortgage create liens on collateral located in counties or states other than the counties and state in which the Premises are located. Mortgagor further acknowledges that this Mortgage and the other Reimbursement Documents are cross-defaulted and the Indebtedness secured hereby is also secured by the other Reimbursement Documents. Mortgagor agrees that Mortgagee may proceed, at the same or at different times, to foreclose any or all liens against such collateral (or sell such collateral under power of sale) by any proceedings appropriate in the county and state where such collateral lies, and that no event of enforcement taking place in any county or state pursuant to any of the Reimbursement Documents shall preclude or bar enforcement in any other county or state. Any foreclosure or other appropriate remedy brought in any county or state in which collateral is located may be brought and prosecuted as to any part of such collateral without regard to the fact that foreclosure proceedings or other appropriate remedies have or have not been instituted elsewhere on any other part of the collateral for the Indebtedness.

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

EAST CHICAGO ENTERPRISE CENTER LIMITED PARTNERSHIP, an Illinois limited partnership

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

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

By: 
Christopher J. Sultz
Senior Vice President

R:\40934\12858\Indiana Mortgages\Mortgage Indiana (East Chicago).wpd 12/28/01



STATE OF ILLINOIS)

) ss.

COUNTY OF COOK)

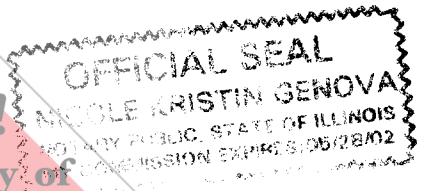
I, NICOLE KRISTIN GENOVA a Notary Public in and for said County, in the State aforesaid, do hereby certify that **CHRISTOPHER J. SULTZ**, the Senior Vice President of **PRIME GROUP REALTY TRUST**, in its capacity as the Managing General Partner of Prime Group Realty, L.P., in its capacity as General Partner of **EAST CHICAGO ENTERPRISE CENTER LIMITED PARTNERSHIP**, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Senior Vice President, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of **PRIME GROUP REALTY TRUST**, for the uses and purposes therein set forth.

NICOLE KRISTIN GENOVA

NOTARY PUBLIC

(SEAL)

Document is NOT OFFICIAL!



This Instrument Prepared by and to be Returned After Recording to:

Martin W. Salzman
Schwartz, Cooper, Greenberger & Krauss, Chtd.
180 North LaSalle Street, Suite 2700
Chicago, Illinois 60601

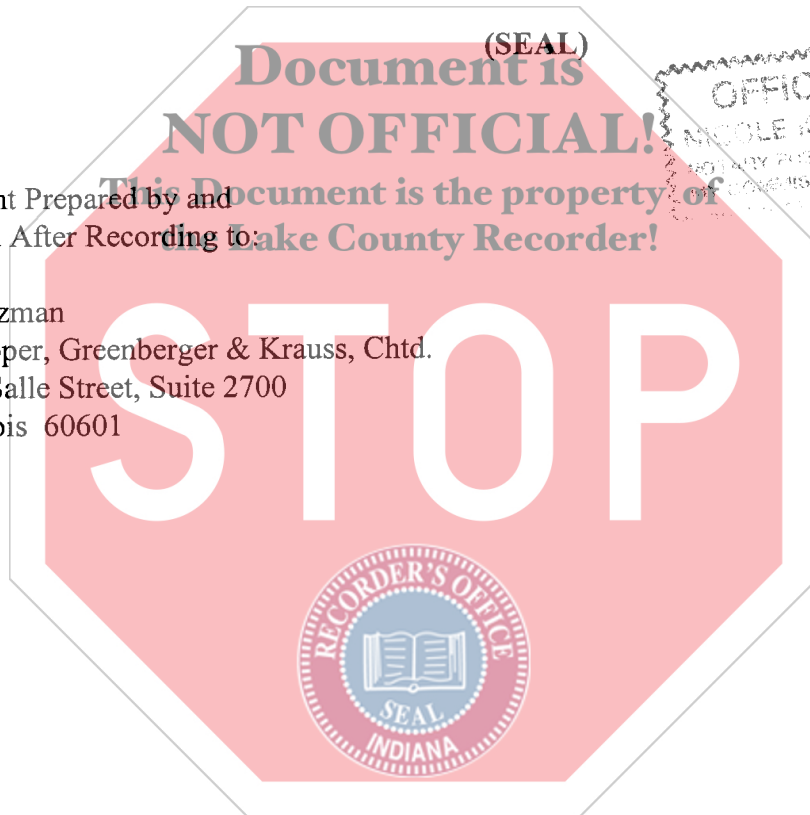


EXHIBIT A

LEGAL DESCRIPTION OF PREMISES

AN IRREGULAR SHAPED PARCEL OF LAND SITUATED IN THE NORTHEAST QUARTER OF SECTION 29, TOWNSHIP 37 NORTH, RANGE 9 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN THE COUNTY OF LAKE, IN THE STATE OF INDIANA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF A LINE PARALLEL TO AND ONE HUNDRED (100) FEET WEST OF THE EAST LINE OF SAID QUARTER SECTION WITH A LINE PARALLEL TO AND SEVEN HUNDRED NINETEEN (719) FEET DISTANT NORTH OF THE SOUTH LINE OF SAID QUARTER SECTION; THENCE NORTH ALONG SAID PARALLEL LINE, ONE HUNDRED (100) FEET WEST OF THE EAST LINE OF SAID QUARTER SECTION LINE, THE SAME BEING THE EAST LINE OF A PARCEL OF LAND CONVEYED TO INDIANA HARBOR BELT RAILROAD COMPANY BY EDWARD T. GLENNON ET UX., BY QUIT CLAIM DEED DATED DECEMBER 10, 1927, RECORDED JUNE 12, 1928 IN RECORD 422, PAGE 266, OF LAKE COUNTY, INDIANA, A DISTANCE OF TWO HUNDRED (200) FEET TO THE NORTH LINE OF THE PARCEL OF LAND CONVEYED BY AFOREMENTIONED DEED; THENCE WEST ALONG SAID NORTH LINE OF PARCEL OF LAND CONVEYED BY AFOREMENTIONED DEED A DISTANCE OF THIRTY-FIVE AND TWENTY HUNDREDTHS (35.20) FEET; THENCE SOUTHWESTERLY ON A STRAIGHT LINE A DISTANCE OF ONE HUNDRED FORTY SEVEN AND TEN HUNDREDTHS (147.10) FEET TO A POINT OF CURVE, SAID POINT OF CURVE BEING SEVENTY-FIVE AND SEVENTH-FIVE HUNDREDTHS (75.75) FEET WEST OF THE EAST LINE OF THE AFOREMENTIONED PARCEL OF LAND CONVEYED TO EDWARD T. GLENNON ET UX.; THENCE CONTINUING SOUTHWESTERLY ALONG A CURVED LINE, CONVEX TO THE NORTHWEST HAVING A RADIUS OF FIVE HUNDRED THIRTY ONE AND FORTY-FOUR HUNDREDTHS (531.44) FEET AND BEING TANGENT TO LAST DESCRIBED STRAIGHT LINE AT SAID POINT OF CURVATURE, AN ARC DISTANCE OF FIFTY-NINE AND THIRTEEN HUNDREDTHS (59.13) FEET, MORE OR LESS, TO A POINT IN THE SOUTH LINE OF LAND CONVEYED BY SAID QUIT-CLAIM DEED OF EDWARD T. GLENNON ET UX.; THENCE EAST ALONG SAID SOUTH LINE OF LAND CONVEYED BY SAID QUIT-CLAIM DEED OF EDWARD T. GLENNON ET UX., A DISTANCE OF EIGHTY-EIGHT AND EIGHTY-SEVEN HUNDREDTHS (88.87) FEET TO THE POINT OF BEGINNING.

PARCEL 2:

THE SOUTH HALF OF BLOCK 10, AS MARKED AND LAID DOWN ON THE RECORDED PLAT OF SUBDIVISION OF THE WEST 1317.5 FEET OF THE NORTHEAST QUARTER OF SECTION 29, TOWNSHIP 37 NORTH, RANGE 9 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN THE CITY OF EAST CHICAGO, AS SHOWN IN PLAT BOOK 2, PAGE 15, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID BLOCK 10, SAID POINT BEING THE NORTHEAST CORNER OF THE INTERSECTION OF THE EASTERLY SIDE OF TOD AVENUE WITH THE NORTHERLY SIDE OF 145TH STREET; THENCE EASTERLY ALONG THE NORTHERLY LINE OF 145TH STREET 432.5 FEET TO THE WESTERLY LINE OF RAILROAD AVENUE; THENCE NORTHERLY ALONG THE WESTERLY LINE OF RAILROAD AVENUE 289 FEET 8 INCHES TO THE SOUTHERLY SIDE OF RIGA PLACE; THENCE WESTERLY ALONG THE SOUTHERLY SIDE OF RIGA PLACE 432.5 FEET TO THE EASTERLY SIDE OF TOD AVENUE; THENCE SOUTHERLY ALONG THE EASTERLY SIDE OF TOD AVENUE 289 FEET 8 INCHES TO THE POINT OF BEGINNING, IN LAKE COUNTY, INDIANA.

PARCEL 3:

PART OF LOT 9, AS MARKED AND LAID DOWN ON THE RECORDED PLAT OF EAST CHICAGO, BEING A SUBDIVISION IN THE SOUTHEAST QUARTER OF SECTION 29, TOWNSHIP 37 NORTH, RANGE 9 WEST OF THE 2ND P. M., IN THE CITY OF EAST CHICAGO, LAKE COUNTY, INDIANA, AS THE SAME APPEARS OF RECORD IN PLAT BOOK 3, PAGE 57, IN THE RECORDER'S OFFICE OF LAKE COUNTY, INDIANA, AND A PART OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 29, TOWNSHIP 37 NORTH, RANGE 9 WEST OF THE SECOND PRINCIPAL MERIDIAN, MORE FULLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHERE THE WESTERLY LINE OF THE RIGHT OF WAY OF THE CURVE TO THE NORTHEAST OF THE FORMER CHICAGO AND CALUMET TERMINAL RAILWAY COMPANY (NOW OWNED BY SOUTH CHICAGO AND SOUTHERN RAILROAD) INTERSECTS THE WEST LINE OF RAILROAD AVENUE; THENCE NORTH ALONG THE WEST LINE OF SAID RAILROAD AVENUE TO A POINT 170 FEET SOUTH OF THE SOUTH LINE OF 145TH STREET; THENCE WEST PARALLEL WITH AND 170 FEET SOUTH OF THE SOUTH LINE OF 145TH STREET A DISTANCE OF 120 FEET; THENCE NORTH PARALLEL WITH AND 120 FEET WEST OF THE WEST LINE RAILROAD AVENUE A DISTANCE OF 170 FEET TO THE SOUTH LINE OF 145TH STREET; THENCE WEST ALONG THE SOUTH LINE OF 145TH STREET TO A POINT THEREON 171 FEET EAST OF THE EAST LINE OF TOD AVENUE; THENCE SOUTH ALONG A LINE PARALLEL TO AND 171 FEET EAST OF THE EAST LINE OF TOD AVENUE A DISTANCE OF 100 FEET; THENCE WEST ALONG A LINE 100 FEET SOUTH OF AND PARALLEL WITH 145TH STREET A DISTANCE OF 30 FEET; THENCE SOUTH PARALLEL WITH AND 141 FEET EAST OF THE EAST LINE OF TOD AVENUE A DISTANCE OF 121 FEET, MORE OR LESS,

TO A POINT ON THE SOUTH LINE OF PRENTISS AVENUE, EXTENDED ACROSS AND EASTWARD OF TOD AVENUE, WHICH IS 151 FEET EAST OF THE EAST LINE OF TOD AVENUE; THENCE EAST ALONG SAID SOUTH LINE OF PRENTISS AVENUE, SO EXTENDED, A DISTANCE OF 29 FEET; THENCE SOUTH ALONG A LINE PARALLEL WITH AND 170 FEET EAST OF THE EAST LINE OF TOD AVENUE A DISTANCE 130 FEET; THENCE WEST ALONG A LINE PARALLEL WITH AND 130 FEET SOUTH OF THE SOUTH LINE OF PRENTISS AVENUE SO EXTENDED, A DISTANCE OF 170 FEET TO THE EAST LINE OF TOD AVENUE; THENCE SOUTH ALONG THE EAST LINE OF TOD AVENUE TO THE POINT OF INTERSECTION OF SAID EAST LINE OF TOD AVENUE WITH THE SOUTH LINE OF COMMERCE PLACE, ALSO KNOWN AS JOHNSON STREET, EXTENDED ACROSS TOD AVENUE; THENCE WEST ALONG THE SOUTH LINE OF SAID COMMERCE PLACE, ALSO KNOWN AS JOHNSON STREET, A DISTANCE 110 FEET; THENCE SOUTH ALONG A LINE PARALLEL TO THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 29 A DISTANCE OF 50 FEET TO THE NORTH LINE OF THE MAIN LINE RIGHT OF WAY OF THE FORMER STATE LINE AND INDIANA CITY RAILROAD COMPANY (NOW OWNED BY THE SOUTH CHICAGO AND SOUTHERN RAILROAD); THENCE EAST ALONG SAID NORTH LINE OF SAID STATE LINE AND INDIANA CITY RAILROAD COMPANY'S MAIN LINE RIGHT OF WAY TO THE WESTERLY LINE OF THE RIGHT OF WAY OF SAID CHICAGO AND CALUMET TERMINAL RAILWAY COMPANY'S CURVE TO THE NORTHEAST; THENCE NORTHEASTERLY ALONG SAID WESTERLY LINE OF THE RIGHT OF WAY OF SAID CHICAGO AND CALUMET TERMINAL RAILWAY COMPANY'S CURVE TO THE NORTHEAST TO THE PLACE OF BEGINNING, EXCEPTING THEREFROM THAT PART THEREOF LYING WEST OF THE EAST LINE OF TOD AVENUE, IN THE CITY OF EAST CHICAGO, LAKE COUNTY, INDIANA, ALSO EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL:

**This Document is the property of
the Lake County Recorder.**

A RECTANGULAR SHAPED PARCEL OF LAND 30 FEET NORTH AND SOUTH AND 120 FEET EAST AND WEST CONTIGUOUS TO ANOTHER RECTANGULAR SHAPED PARCEL OF LAND OWNED BY NORTHERN INDIANA PUBLIC SERVICE COMPANY 170 FEET NORTH AND SOUTH 120 FEET EAST AND WEST IN THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 29, TOWNSHIP 37 NORTH, RANGE 9 WEST OF THE SECOND PRINCIPAL MERIDIAN, MORE FULLY DESCRIBED AS BEGINNING AT A POINT 170 FEET SOUTH OF THE SOUTH LINE OF 80 FOOT WIDE DEDICATED 145TH STREET WHICH POINT IS 210 FEET SOUTH OF THE CENTER LINE OF SAID 145TH STREET, ALL IN THE WEST LINE OF DEDICATED 80 FOOT WIDE RAILROAD AVENUE; THENCE CONTINUING SOUTH ON THE WEST LINE OF SAID RAILROAD AVENUE 30 FEET; THENCE WEST ON A LINE PARALLEL TO AND 200 FEET SOUTH OF THE SOUTH LINE OF SAID 145TH STREET, 120 FEET; THENCE NORTH ON A LINE PARALLEL TO AND 120 FEET WEST OF THE WEST LINE OF SAID RAILROAD AVENUE 30 FEET; THENCE EAST ON A LINE PARALLEL TO AND 170 FEET SOUTH OF THE SOUTH LINE OF SAID 145TH STREET, 120 FEET TO THE POINT OF BEGINNING, ALL IN EAST CHICAGO, NORTH TOWNSHIP, LAKE COUNTY, INDIANA.

PARCEL 4:

(A) PART OF A PARCEL OF LAND SITUATED IN THE CITY OF EAST CHICAGO, LAKE COUNTY, STATE OF INDIANA, LOCATED IN THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, SECTION 29, TOWNSHIP 37 NORTH, RANGE 9 WEST OF THE SECOND P.M., BEING LAND CONVEYED TO C. AND C. T. RY. (PREDECESSOR OF THE B. AND O. C. T. R. R.) BY STANDARD STEEL AND IRON COMPANY DEEDS OF AUGUST 31, 1888 AND OF JUNE 7, 1890 AND RECORDED IN THE RECORDER'S OFFICE OF LAKE COUNTY IN BOOK 44, PAGE 166, AND IN BOOK 47 ON PAGE 521 RESPECTIVELY, SAID PARCEL OF LAND LYING SOUTHERLY OF AND ADJACENT TO LANDS CONVEYED TO C. AND C. T. RY., BY STANDARD STEEL AND IRON COMPANY BY DEED OF APRIL 2, 1890, RECORDED IN THE RECORDER'S OFFICE OF LAKE COUNTY, INDIANA, IN BOOK 47, PAGE 483, SAID PARCEL BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF THE PARCEL OF LAND CONVEYED BY STANDARD STEEL AND IRON COMPANY BY SAID DEED OF APRIL 2, 1890, WITH THE PRESENT EAST LINE OF RAILROAD AVENUE, THENCE RUNNING EASTERLY ALONG SAID SOUTH LINE OF PROPERTY CONVEYED BY SAID DEED OF APRIL 2, 1890, A DISTANCE OF 525.8 FEET TO A POINT; THENCE SOUTHWESTERLY ALONG A CURVED LINE WITH A RADIUS OF 459.3 FEET, CONVEX TO THE NORTHWEST, A DISTANCE OF 610 FEET, MORE OR LESS, TO A POINT ON THE NORTH LINE OF CHICAGO AVENUE, SAID POINT BEING 86.3 FEET EAST OF THE INTERSECTION OF SAID NORTH LINE OF CHICAGO AVENUE, WITH THE EAST LINE OF RAILROAD AVENUE; THENCE WESTWARDLY ALONG THE NORTH LINE OF CHICAGO AVENUE, A DISTANCE OF 86.3 FEET TO THE EAST LINE OF RAILROAD AVENUE; THENCE NORTHWARDLY ALONG THE EAST LINE OF RAILROAD AVENUE A DISTANCE OF 349.9 FEET, MORE OR LESS, TO THE PLACE OF BEGINNING, EXCEPTING THEREFROM THAT PART THEREOF LYING WESTERLY OF A CURVED LINE 15 FEET EASTERLY FROM THE CENTER LINE OF THE EASTERLY TRACK OF BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD AS LOCATED NORTH OF CHICAGO AVENUE AND EAST OF RAILROAD AVENUE, ON MAY 9, 1957;

AND ALSO A PARCEL OF LAND DESCRIBED AS: (B) PART OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 29, TOWNSHIP 37 NORTH, RANGE 9 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN THE CITY OF EAST CHICAGO, LAKE COUNTY, INDIANA; BEGINNING AT THE POINT OF INTERSECTION OF THE NORTH LINE OF CHICAGO AVENUE IN SAID CITY OF EAST CHICAGO, WITH A LINE PARALLEL TO AND 630 FEET WEST OF THE EAST LINE OF SAID SECTION 29; THENCE NORTH ON LAST DESCRIBED LINE 349.5 FEET, MORE OR LESS, TO THE SOUTH LINE OF THE 75 FOOT RIGHT OF WAY OF THE BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD COMPANY; THENCE WEST ON SAID RIGHT OF WAY LINE 159.25 FEET, MORE OR LESS, TO THE POINT OF CURVE; THENCE SOUTHWESTERLY ON CURVE TANGENT TO THE LAST DESCRIBED LINE AND CONVEX TO NORTHWEST WITH A RADIUS OF 459.3 FEET A DISTANCE OF 387.35 FEET, MORE OR LESS, TO A POINT 195.53 FEET NORTH ON THE NORTH LINE OF CHICAGO

AVENUE, AND 186.3 FEET EAST OF EAST LINE OF RAILROAD AVENUE; THENCE SOUTH ON A LINE PARALLEL TO THE EAST LINE OF SAID SECTION 29, 195.53 FEET TO A POINT IN THE NORTH LINE OF CHICAGO AVENUE; SAID POINT BEING 186.3 FEET EAST OF THE EAST LINE OF RAILROAD AVENUE; THENCE EAST ON THE NORTH LINE OF CHICAGO AVENUE, AFORESAID, 500 FEET MORE OR LESS TO THE POINT OF BEGINNING, EXCEPTING FROM THE ABOVE TRACTS (A AND B) OF LAND THE FOLLOWING:

PART OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 29, TOWNSHIP 37 NORTH, RANGE 9 WEST OF THE 2ND PRINCIPAL MERIDIAN IN THE CITY OF EAST CHICAGO, LAKE COUNTY, INDIANA, BEGINNING AT THE POINT OF INTERSECTION OF THE NORTH LINE OF CHICAGO AVENUE IN SAID CITY OF EAST CHICAGO, WITH A LINE PARALLEL TO AND 630 FEET WEST OF THE EAST LINE OF SAID SECTION 29; THENCE NORTH ON THE LAST DESCRIBED LINE 349.5 FEET MORE OR LESS, TO THE SOUTH LINE OF THE 75 FOOT RIGHT-OF-WAY LINE OF THE BALTIMORE AND OHIO CHICAGO TERMINAL RAILROAD COMPANY; THENCE WEST ON THE SAID RIGHT-OF-WAY LINE A DISTANCE OF 476.26 FEET TO A POINT 208.79 FEET EAST OF THE EAST RIGHT-OF-WAY LINE OF RAILROAD AVENUE; THENCE SOUTH 213.77 FEET TO A POINT 210.12 FEET EAST OF THE EAST RIGHT-OF-WAY LINE OF RAILROAD AVENUE; THENCE WEST PARALLEL TO THE NORTH RIGHT-OF-WAY LINE OF CHICAGO AVENUE A DISTANCE OF 23.82 FEET TO A POINT 186.3 FEET EAST OF THE EAST RIGHT-OF-WAY LINE OF RAILROAD AVENUE; THENCE SOUTH ALONG A LINE PARALLEL TO THE EAST RIGHT-OF-WAY LINE OF RAILROAD AVENUE A DISTANCE OF 136 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF CHICAGO AVENUE; THENCE EASTERLY, ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 500 FEET TO THE POINT OF BEGINNING.

PARCEL 5:

PART OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 29, TOWNSHIP 37 NORTH, RANGE 9 WEST OF THE SECOND PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHICH MARKS THE INTERSECTION OF THE NORTH LINE OF CHICAGO AVENUE IN THE CITY OF EAST CHICAGO, WITH THE EASTERLY LINE OF THE LAND OWNED BY THE CHICAGO TERMINAL TRANSFER RAILWAY COMPANY, SAID POINT BEING 86.3 FEET EAST OF THE EAST LINE OF RAILROAD AVENUE, RUNNING EAST ON THE NORTH LINE OF CHICAGO AVENUE CHICAGO AVENUE 100 FEET; THENCE ON AN ANGLE 89 DEGREES 09 MINUTES TO THE LEFT AND RUNNING NORTH PARALLEL WITH THE EAST LINE OF SAID SECTION 29, A DISTANCE OF 196.7 FEET TO SAID EASTERLY LINE; THENCE SOUTH WESTERLY ON SAID LINE, WHICH IS A CURVE CONVEX ON THE NORTHWESTERLY SIDE WITH A RADIUS OF 459.3 FEET, A DISTANCE OF 224.2 FEET TO THE PLACE OF BEGINNING, IN THE CITY OF EAST CHICAGO, LAKE COUNTY, INDIANA, EXCEPTING THEREFROM ALL OF THE LAND

LYING SOUTH OF A LINE 136 FEET NORTH OF AND PARALLEL TO THE NORTH LINE OF CHICAGO AVENUE.

PARCEL 6:



LYING SOUTH OF A LINE 136 FEET NORTH OF AND PARALLEL TO THE NORTH LINE OF CHICAGO AVENUE.

PARCEL 6:

THAT PART OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER AND PART OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 29, TOWNSHIP 37 NORTH, RANGE 9 WEST OF THE SECOND PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 100 FEET WEST OF THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE EAST AND WEST QUARTER LINE OF SECTION 29; THENCE NORTH 719 FEET ALONG THE WEST LINE OF WATERWAY PARALLEL TO THE EAST LINE OF SAID SECTION 29; THENCE WEST PARALLEL TO THE EAST AND WEST CENTER LINE OF SAID SECTION 29, 199.15 FEET TO THE PLACE OF BEGINNING OF IRREGULARITY; THENCE NORTHWESTERLY ON A CURVE HAVING A RADIUS OF 218.96 FEET, A DISTANCE OF 195.3 FEET AND INTERSECTING A LINE PARALLEL TO THE EAST AND WEST SECTION LINE AND 168.61 FEET WEST OF THE POINT OF BEGINNING OF IRREGULARITY, SAID POINT OF INTERSECTION BEING 82 FEET NORTH OF LAST DESCRIBED EAST AND WEST LINE; THENCE NORTH PARALLEL TO THE EAST LINE OF SAID SECTION 29, A DISTANCE OF 18 FEET; THENCE PARALLEL TO AND 819 FEET NORTH OF THE EAST AND WEST QUARTER LINE OF SAID SECTION 29, A DISTANCE OF 770.5 FEET TO THE EAST LINE OF THE RIGHT OF WAY OF THE CHICAGO TERMINAL TRANSFER RAILROAD COMPANY; THENCE SOUTH ALONG THE EAST LINE OF AFORESAID RIGHT OF WAY OF THE CHICAGO TERMINAL TRANSFER RAILROAD COMPANY AND PARALLEL TO THE EAST LINE OF SECTION 29, A DISTANCE OF 761.8 FEET TO POINT OF CURVE, THENCE ON A CURVE CONVEX TO SOUTHWEST WITH A RADIUS OF 573.7 FEET, THE SAME BEING THE NORTHEAST LINE OF THE RIGHT OF WAY OF THE CHICAGO TERMINAL TRANSFER RAILROAD COMPANY, A DISTANCE OF 262.3 FEET, THENCE EAST PARALLEL WITH AND 196 FEET FROM THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 29, A DISTANCE OF 1080.8 FEET MORE OR LESS, TO THE WEST LINE OF THE WATERWAY; THENCE NORTH ALONG THE WEST LINE OF THE WATERWAY AND PARALLEL TO THE EAST LINE OF SAID SECTION 29, A DISTANCE OF 196 FEET TO THE POINT OF BEGINNING, EXCEPTING THEREFROM THAT PORTION LYING WEST OF THE EAST LINE OF PROPERTY CONVEYED BY THE STANDARD STEEL AND IRON COMPANY TO THE EAST CHICAGO BELT RAILROAD COMPANY BY DEED DATED JULY 11, 1896 AND RECORDED ON JULY 30, 1896, IN BOOK 79, PAGE 150 TO 153, INCLUSIVE, ALL IN THE CITY OF EAST CHICAGO, LAKE COUNTY, INDIANA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 266 FEET WEST OF THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER ON THE EAST AND WEST QUARTER LINE OF SAID SECTION 29; THENCE SOUTH ALONG THE WEST LINE OF THE RIGHT OF WAY 196 FEET; THENCE EAST PARALLEL TO AND 196 FEET SOUTH OF EAST AND WEST QUARTER SECTION LINE A DISTANCE OF 76.52 FEET TO THE EAST LINE OF RIGHT OF WAY; THENCE

NORTH 915 FEET PARALLEL TO THE WEST LINE OF SAID SECTION 29; THENCE WEST ON A LINE PARALLEL TO AND 719 FEET NORTH OF THE EAST AND WEST LINE OF SAID SECTION 29, 98.52 FEET; THENCE SOUTHEASTERLY ON A STRAIGHT LINE TO A POINT IN THE WEST LINE OF THE RIGHT OF WAY, OF THE INDIANA HARBOR BELT RAILROAD COMPANY 50 FEET SOUTH OF THE LAST DESCRIBED LINE; THENCE SOUTH 669 FEET FROM SAID POINT ALONG THE WEST LINE OF THE RIGHT OF WAY OF THE INDIANA HARBOR BELT RAILROAD TO THE POINT OF BEGINNING, ALL IN LAKE COUNTY, INDIANA.

PARCEL 7:

PART OF THE SOUTHEAST QUARTER OF SECTION 29, TOWNSHIP 37 NORTH, RANGE 9 WEST OF THE SECOND PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ONE HUNDRED (100) FEET WEST AND ONE HUNDRED NINETY-SIX (196) FEET SOUTH OF THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER OF SAID SECTION 29; THENCE WEST ON A LINE PARALLEL TO AND ONE HUNDRED NINETY-SIX (196) FEET SOUTH OF THE NORTH LINE OF SAID SOUTHEAST QUARTER OF SECTION 29 FOR A DISTANCE OF ONE THOUSAND EIGHTY-ONE AND FIVE TENTHS (1081.5) FEET TO THE EASTERLY LINE OF THE RIGHT OF WAY OF THE CHICAGO AND CALUMET TERMINAL RAILWAY COMPANY; THENCE SOUTHEASTERLY ALONG THE RIGHT OF WAY OF SAID RAILROAD COMPANY ON A CURVE CONVEX TO THE SOUTHWEST, WITH A RADIUS OF FIVE HUNDRED SEVENTY-THREE AND SEVEN TENTHS (573.7) FEET FOR A DISTANCE OF FOUR HUNDRED SEVEN AND FOUR-TENTHS (407.4) FEET TO THE NORTH LINE OF THE RIGHT OF WAY OF THE STATE LINE AND INDIANA CITY RAILWAY COMPANY; THENCE EASTERLY ALONG THE NORTH LINE OF SAID RAILWAY COMPANY, FOR A DISTANCE OF SEVEN HUNDRED NINETY AND FIVE-TENTHS (790.5) FEET MORE OR LESS TO A POINT ONE HUNDRED (100) FEET WEST OF THE EAST LINE OF SECTION 29 AFORESAID; THENCE NORTH A DISTANCE OF TWO HUNDRED FORTY-TWO AND FIFTY-THREE ONE HUNDREDTHS (242.53) FEET MORE OR LESS TO THE PLACE OF BEGINNING, EXCEPTING THEREFROM THAT PORTION LYING WEST OF THE EAST LINE OF PROPERTY CONVEYED BY THE STANDARD STEEL AND IRON COMPANY TO THE EAST CHICAGO BELT RAILROAD COMPANY BY DEED DATED JULY 11, 1896 AND RECORDED ON JULY 30, 1896, IN BOOK 79, PAGE 150 TO 153, INCLUSIVE, ALL IN THE CITY OF EAST CHICAGO, LAKE COUNTY, INDIANA, DESCRIBED AS FOLLOWS:



A STRIP OF LAND 66 FEET WIDE ACROSS THE EAST HALF OF SECTION 29, TOWNSHIP 37 NORTH, RANGE 9 WEST OF THE 2ND P. M., LAKE COUNTY, INDIANA, SAID STRIP BEING 33 FEET ON EACH SIDE OF A CENTER LINE DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SECTION 29, WHICH IS 233 FEET WEST OF THE EAST LINE OF SAID SECTION 29, THENCE NORTHERLY PARALLEL WITH AND 233 FEET WESTERLY FROM THE EAST LINE OF SAID SECTION 29, TO A POINT WHICH IS 1,320 FEET SOUTH OF THE NORTH LINE OF SAID SECTION 29, THENCE NORTHWESTERLY BY A CURVE CONVEXED TO THE NORTHEAST WITH A RADIUS OF 2,865 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION 29, WHICH IS 558.2 FEET WEST OF THE EAST LINE OF SAID SECTION 29, ALL IN THE CITY OF EAST CHICAGO, LAKE COUNTY, INDIANA.

PIN: 30-29-33, 30-90-13, 31-35-2, 31-37-5, 31-37-10, 31-37-19, 31-37-21 and 31-37-24 (Tax Unit No. 24)

Address: East Chicago Enterprise Center
4407 Railroad Avenue, East Chicago, Indiana



EXHIBIT B

PERMITTED EXCEPTIONS

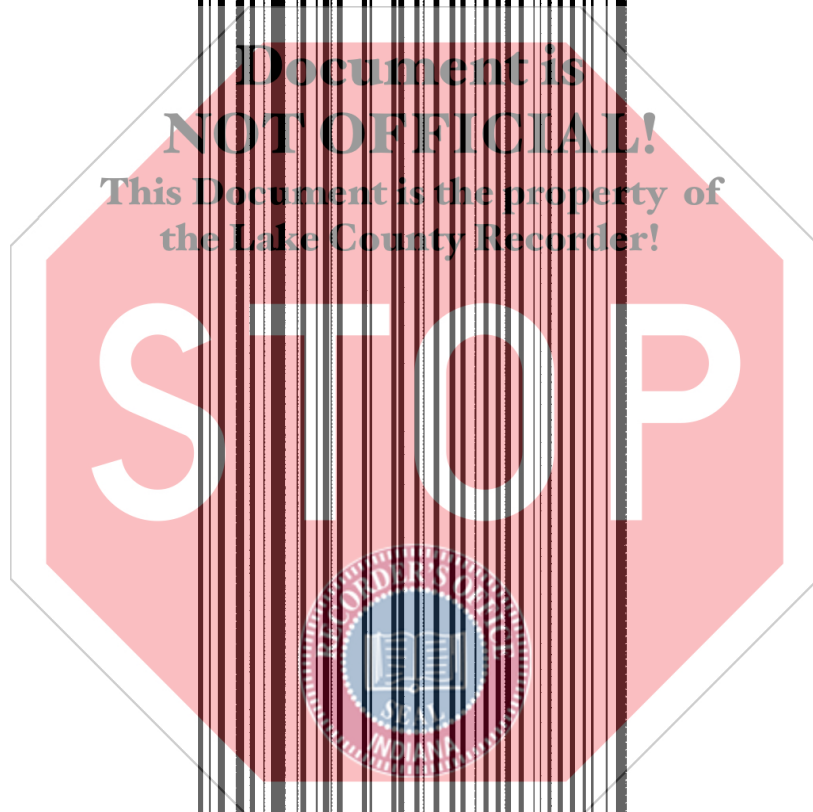
1. General real estate taxes for the year 2001 and each year thereafter not yet due and payable.
2. Exception Nos. AE, AC*, F, G, L, I, J, K, M, N, O, P, Q, R, S, T, U and AQ (limited to tenants identified on certified rent roll), contained on Schedule B of Chicago Title Insurance Company Commitment No. 620013716.

*** provided the matters raised by said exception is insured over to Mortgagee's satisfaction**



EXHIBIT C

INSURANCE REQUIREMENTS





[To be prepared by LaSalle Bank's closing officer]

INSURANCE REQUIREMENTS

EXHIBIT C

LaSalle Bank National Association

BORROWER'S INSURANCE REQUIREMENTS

General Information

- 1 . All insurance policies referred to herein shall be in form and substance acceptable to *LaSalle Bank National Association* ("LaSalle").
- 2 . *LaSalle* must receive evidence / certificates of insurance at least **ten (10) business days prior to closing**. Original policies must be provided to *LaSalle* as soon as they are available from insurers. Certified copies should be available within 60 to 90 days.
- 3 . Proof of coverage must be on an ACORD 27 - EVIDENCE OF PROPERTY INSURANCE form. Liability insurance must be written on ACORD 25S or its equivalent.
NOTE: Please remove any "endeavor to" and "but failure to mail such notice shall impose...representatives" language as it relates to notices.

- 4 . All property policies shall contain a standard mortgage clause in favor of *LaSalle* and shall provide for a thirty (30) day written notice to *LaSalle* of any material change or cancellation. Certificates with disclaimers will NOT be accepted.

- 5 . The borrower must be the named insured. Enterprise Centers I-VI, LP
- 6 . Property & Builders Risk certificates must show *LaSalle* as **First Mortgagee and Loss Payee** as follows:

adverse
Document is NOT OFFICIAL!
This Document is the property of LaSalle Bank National Association
Commercial Real Estate
135 S. LaSalle Street
Chicago IL60603

(*LaSalle* may be shown as "Mortgagee and Loss Payee As Their Interests May Appear" until the insurance agent receives release of interest from the prior lender. At that time, the insurance policies will need to be endorsed to show *LaSalle* as **First Mortgagee and Loss Payee**.)

- 7 . The property address must be identified as the insured property.
East Chicago Enterprise Center
4407 Railroad Avenue
East Chicago, IN 46312
- 8 . All insurance companies must have the following ratings from *AM Best's Rating Guide*:

Policy Rating

A

Financial Rating

VIII

- 9 . The insurance documentation must be signed by an authorized representative.

Specific P...



Specific Requirements

1 . If the property policy is a blanket policy or limit, *Lasalle* must receive a schedule of the amount allocated to the property /rents or the amounts allocated to the property must be indicated on the certificate.

2 . Coverage must be on an "all risk" (Special Perils), 100% replacement cost basis without deduction for foundations and footings, and *WITHOUT* co-insurance. The co-insurance must be waived or an Agreed Amount endorsement must be included and either "No Co-insurance" or "Agreed Amount" must be indicated on the certificate.

3 . Ordinance or Law coverage providing for demolition and increased cost of construction, must be provided and indicated on the certificate.

4 . Other coverages such as earthquake, boiler and machinery (which includes the mechanics of the building, such as elevators), and flood will be required when these risks are present.

5 . Rent Loss or Business Income coverage shall be in an amount equal to 100% of the projected annual rents or revenue with a minimum period of indemnity of 12 months, or such greater period as *Lasalle* may require. This coverage needs to be written on a Gross Rental Income, Gross Profits or Extended Period of Indemnity form, not on an actual loss sustained basis which may terminate as soon as the premises are tenantable or operational.

6 . *Lasalle Bank National Association and Enterprise Centers I-VI, LP* must be named as Additional Insured for all general liability coverage, with a minimum limit of \$2,000,000 for any one occurrence.

Additional Requirements - Construction Loans

1 . Coverage must be All Risk Builders Risk Course of Construction, including earthquake and flood when these risks are present. The Builders Risk insurance amount must cover at least 100% of hard costs and 100% of the soft costs.

2 . Under the Evidence of Property form - The builders risk coverage should make the following statement: "The General Contractor (name) and all subcontractors of any tier are named insured with respect to builders' risk."
3 . Rent coverage must be 100% of the anticipated annual rents (assuming full occupancy) written on a delayed income basis. The policy shall allow for partial or full occupancy.

4 . Coverage should also include permission to occupy clause.

5. Any and all other personal property of any kind, nature or description, whether tangible or intangible, (including without limitation, any and all goods, contract rights, franchises, licenses, permits, chattel paper, money, equipment deposit accounts including health care insurance receivables, documents, investment property, instruments, letter of credit rights, supporting obligations, and general intangibles including payment

4. All proceeds of the foregoing, including, without limitation, all judgments, awards of damages and settlements hereafter made resulting from condemnation proceeds or the taking of the Real Estate or improvements thereon or any portion thereof under the power of eminent domain, any proceeds of any policies of insurance, maintained with respect to the Real Estate or improvements thereon or proceeds of any sale, option or contract to sell the Real Estate or improvements thereon or any portion thereof;

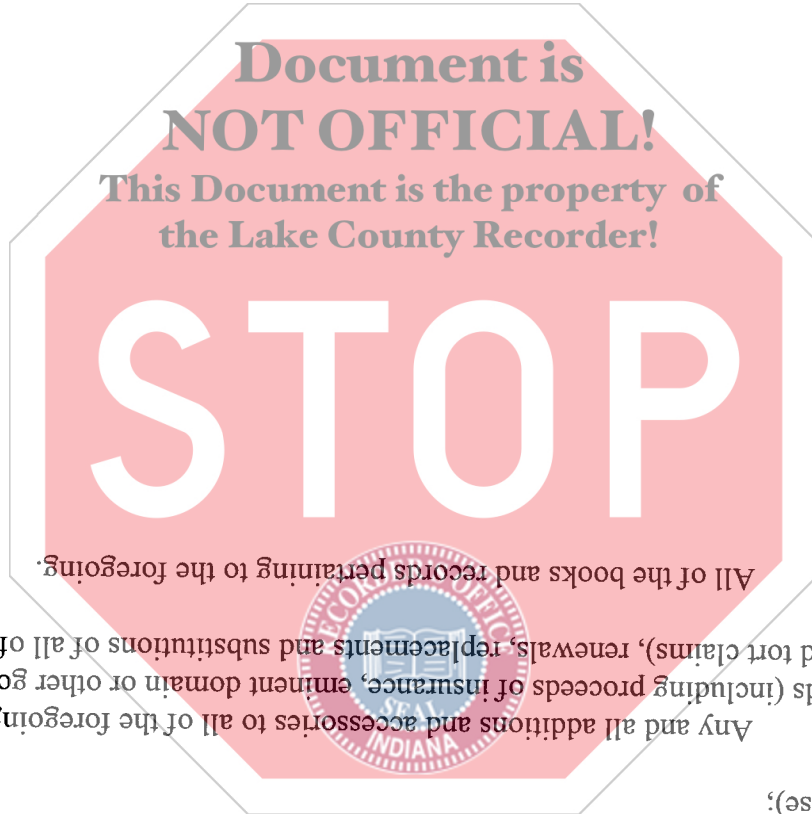
3. All fixtures and articles of personal property now or hereafter owned by Mortgagor and forming a part or used in connection with the Real Estate or the improvements thereon, including, but without limitation, any and all air conditioners, antennae, appliances, awnings, basins, bathtubs, bidets, boilers, bookcases, cabinets, carpets, coolers, curtains, dehumidifiers, disposals, doors, drapes, ducts, dynamos, elevators, engines, equipment, escalators, exercise equipment, fans, fittings, floor coverings, furnaces, furnishings, furniture, hardware, heaters, humidifiers, incinerators, lighting, machinery, motors, ovens, pipes, plumbing, pumps, radiators, ranges, recreational facilities, refrigerators, screens, security systems, shades, shelving, sinks, sprinklers, stoves, toilets, ventilators, wall coverings, washers, windows, window coverings, wiring, and all renewals or replacements thereof or articles in substitution therefor;

2. Any and all rents, revenues, issues, profits, proceeds, income, royalties, accounts including health care insurance receivables, accounts receivable, escrows, reserves, impounds, security deposits and other rights to monies now owned or hereafter acquired and arising from or out of the Real Estate and/or the businesses and operations conducted by Mortgagor thereon;

1. All personal property of every nature whatsoever now or hereafter owned by Mortgagor and on, or used in connection with the real estate (the "Real Estate") legally described on Exhibit A to this Mortgage or the improvements thereon, including all extensions, additions, improvements, betterments, renewals, substitutions and replacements thereof and all of the right, title and interest of Mortgagor in and to any such personal property together with the benefit of any deposits or payments now or hereafter made on such personal property by Mortgagor or on its behalf;

ADDITIONAL COLLATERAL

EXHIBIT D



- 7. All of the books and records pertaining to the foregoing.
- 6. Any and all additions and accessories to all of the foregoing and any and all proceeds (including proceeds of insurance, eminent domain or other governmental takings and tort claims), renewals, replacements and substitutions of all of the foregoing;
- intangibles) of Mortgagor relating to or used in connection with the operation or maintenance of the Real Estate, whether now owned or hereafter acquired, or in which Mortgagor now has or shall hereafter acquire any right, title or interest whatsoever (whether by bill of sale, lease, conditional sales contract, or other title retention document or otherwise);