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Cook County Recorder \$35.00



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(Space above reserved for County Recorder)

THIS MORTGAGE IS EXEMPT FROM ALL RECORDING AND MORTGAGE TAXES PURSUANT TO 11 U.S.C. SECTION 1146(c)

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LEASEHOLD MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING (ILLINOIS)

by and from

PLIET THEATRES, INC., "Mortgagor"

to

BANKERS TRUST COMPANY,

in its capacity as Agent, "Mortgagee"

Dated as of March 21, 2002

Theatre ID #:	556
Location:	330 E. Ohio Street
Municipality:	Chicago
County:	Cook
State:	Illinois

THE SECURED PARTY (MORTGAGEE) DESIRES THIS FIXTURE FILING TO BE INDEXED AGAINST THE RECORD OWNER OF THE REAL ESTATE DESCRIBED HEREIN.

**PREPARED BY, RECORDING REQUESTED BY,
AND WHEN RECORDED MAIL TO:**

**O'Melveny & Myers LLP
400 South Hope Street
Los Angeles, California 90071-2899
Attention: Vivian C. Douglas
File #045,710-880**

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LEASEHOLD MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING (ILLINOIS)

THIS LEASEHOLD MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING (ILLINOIS) (this "Mortgage") is dated as of March 21, 2002 by and from PLITT THEATRES, INC., a Delaware corporation ("Mortgagor"), whose address is in care of Loews Cineplex Entertainment Corporation, 711 Fifth Avenue, 11th Floor, New York, New York 10022 to BANKERS TRUST COMPANY, a New York banking corporation, as Collateral Agent (in such capacity, "Agent") for (i) the lenders (the "Priority Secured Lenders") party to the Priority Secured Credit Agreement (defined below) and Bankers Trust Company, as Administrative Agent for the Priority Secured Lenders (the "Priority Administrative Agent"), and (ii) the lenders (the "Term Loan Lenders") party to the Credit Agreement (defined below) (all such Priority Secured Lenders and Term Loan Lenders, together with their respective successors and assigns, are collectively referred to as the "Lenders") and Bankers Trust Company, as Administrative Agent for the Term Loan Lenders (the "Term Administrative Agent" and together with the Priority Administrative Agent, the "Administrative Agents"), having an address at 31 West 52nd Street, New York, New York 10019 (Agent, together with its successors and assigns, "Mortgage").

RECITALS

A. Agent and the Priority Secured Lenders have entered into a Priority Secured Credit Agreement dated of even date herewith, with Loews Cineplex Entertainment Corporation, a Delaware corporation ("Borrower"), and Cineplex Odeon Corporation, an Ontario corporation ("Canadian Borrower"), pursuant to which Agent and the Priority Secured Lenders have made certain commitments, subject to the terms and conditions set forth therein, to extend certain credit facilities (with separate sublimits available for issuance of letters of credit) to Borrower and Canadian Borrower (said Priority Secured Credit Agreement, as it may hereafter be amended, restated, supplemented or otherwise modified from time to time, the "Priority Secured Credit Agreement").

B. Agent and the Term Loan Lenders have entered into a Term Loan Agreement dated of even date herewith, with Borrower, pursuant to which Agent and the Term Loan Lenders have made certain commitments, subject to the terms and conditions set forth therein, to extend certain credit facilities to Borrower (said Term Loan Agreement, as it may hereafter be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement").

C. Pursuant to (i) the Priority Secured Credit Agreement, in order to induce Agent and the Priority Secured Lenders to make Priority Secured Loans and other extensions of credit under the Priority Secured Credit Agreement and (ii) the Credit Agreement, in order to induce Agent the Term Lenders to make Loans and other extensions of credit under the Credit Agreement, Mortgagor has agreed to execute and deliver this Mortgage.

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ARTICLE 1 DEFINITIONS

Section 1.1. Definitions. All capitalized terms used herein without definition shall have the respective meanings ascribed to them in the Credit Agreement. As used herein, the following terms shall have the following meanings:

(a) **"Indebtedness"**: All indebtedness of Borrower and Canadian Borrower to Mortgagee, the Administrative Agents and the Lenders, the full and prompt payment of which has been guaranteed by Mortgagor, including, without limitation, the sum of all (i) principal, interest (fixed and variable) and other amounts evidenced or secured by the Loan Documents, and (ii) principal, interest (fixed and variable) and other amounts which may hereafter be loaned by Mortgagee or any of the Lenders under or in connection with the Credit Agreement, the Priority Secured Credit Agreement or any of the other Loan Documents, whether evidenced by a promissory note or other instrument, including, but not limited to, Letters of Credit. The Priority Secured Credit Agreement contains a revolving credit facility which permits Borrower and Canadian Borrower to borrow certain principal amounts, repay all or a portion of such principal amounts, and reborrow the amounts previously paid to the Priority Secured Lenders, all upon satisfaction of certain conditions stated in the Priority Secured Credit Agreement. This Mortgage secures all of the Indebtedness including, but not limited to, all advances and re-advances under the revolving credit feature of the Priority Secured Credit Agreement. The maturity date of the Indebtedness is the later of the maturity date of the Priority Obligations as set forth in Section 1.1(f) below or the maturity date of the Term Obligations as set forth in Section 1.1(k) below.

(b) **"Intercreditor Agreement"**: The Intercreditor Agreement of even date with this Mortgage among Collateral Agent (as defined in the Credit Agreement), the Priority Administrative Agent, and the Term Administrative Agent and, upon execution of counterparts to the Intercreditor Agreement by any other Persons who may become a party to the Intercreditor Agreement in accordance with the terms thereof, such other Persons, as such Intercreditor Agreement may thereafter be amended, supplemented or otherwise modified from time to time.

(c) **"Loan Documents"**: The Priority Secured Loan Documents and the Term Loan Documents.

(d) **"Mortgaged Property"**: All of Mortgagor's right, title and interest, if any, in (1) the leasehold interest in the real property described in Exhibit A attached hereto and incorporated herein by this reference created by the Subject Lease (defined below), together with all rights and interests of Mortgagor in and to the Subject Lease and any greater estate in such real property as hereafter may be acquired by Mortgagor, and all rights, privileges, tenements, hereditaments, rights-of-way, easements, appendages and appurtenances appertaining thereto (the **"Land"**), (2) all improvements now owned or hereafter acquired by Mortgagor, now or at any time situated, placed or constructed upon the Land (the **"Improvements"**); the Land and Improvements are collectively referred to as the **"Premises"**), (3) all materials, supplies, equipment, apparatus and other items of personal property now owned or hereafter acquired by Mortgagor and now or hereafter attached to, installed in or used in connection with any of the Improvements or the Land, and water, gas, electrical, telephone, storm and sanitary sewer

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facilities and all other utilities whether or not situated in easements, and all goods that are or are to become fixtures related to the Land (the "**Fixtures**"), (4) all goods, accounts, general intangibles, instruments, documents, chattel paper and all other personal property of any kind or character, including such items of personal property as defined in the UCC (defined below), now owned or hereafter acquired by Mortgagor and now or hereafter affixed to, placed upon, used in connection with, arising from or otherwise related to the Premises (the "**Personalty**"), (5) all reserves, escrows or impounds required under the Credit Agreement and all deposit accounts maintained by Mortgagor with respect to the Mortgaged Property (the "**Deposit Accounts**"), (6) all leases, licenses, concessions, occupancy agreements or other agreements (written or oral, now or at any time in effect), other than the Subject Lease, which grant to any Person other than Mortgagor a possessory interest in, or the right to use, all or any part of the Mortgaged Property (the "**Leases**"), (7) all of the rents, revenues, royalties, income, proceeds, profits, security and other types of deposits, and other benefits paid or payable by parties to the Leases for using, leasing, licensing, possessing, operating from, residing in, selling or otherwise enjoying the Mortgaged Property (the "**Rents**"), (8) all other agreements, such as construction contracts, architects' agreements, engineers' contracts, utility contracts, maintenance agreements, management agreements, service contracts, listing agreements, guaranties, warranties, permits, licenses, certificates and entitlements in any way relating to the construction, use, occupancy, operation, maintenance, enjoyment or ownership of the Mortgaged Property (the "**Property Agreements**"), (9) all property tax refunds (the "**Tax Refunds**"), (10) all accessions to the Premises and all accessions, replacements and substitutions for any of the foregoing and all proceeds of any of the foregoing (the "**Proceeds**"), (11) all insurance policies, unearned premiums therefor and proceeds from such policies covering any of the above property now or hereafter acquired by Mortgagor (the "**Insurance**"), (12) all awards, damages, remunerations, reimbursements, settlements or compensation heretofore made or hereafter to be made by any governmental authority pertaining to the Land, Improvements, Fixtures or Personalty (the "**Condemnation Awards**"), and (13) all options and rights to purchase all or any portion of, or interest in, the Premises, to the extent that the provisions of such options and rights do not prohibit their mortgaging, pledge, assignment or transfer (the "**Purchase Options**"). As used in this Mortgage, the term "**Mortgaged Property**" shall mean all or where the context permits or requires, any portion of the above or any interest therein.

(e) "**Obligations**": The Priority Obligations, the Term Obligations and all of the agreements, covenants, conditions, warranties, representations and other obligations of Mortgagor (including, without limitation, the obligation to repay the Indebtedness) under the Subsidiary Guaranty, including without limitation the "Guaranteed Obligations" as defined in the Subsidiary Guaranty. If Mortgagor is a party to the Credit Agreement or any other Loan Document, then "**Obligations**" shall include all of the agreements, covenants, conditions, warranties, representations and other obligations of Mortgagor set forth in such Credit Agreement or other Loan Document to which Mortgagor is a party.

(f) "**Priority Obligations**": All of the agreements, covenants, conditions, warranties, representations and other obligations of Borrower and Canadian Borrower (including, without limitation, the obligation to repay the Indebtedness) under the Priority Secured Credit Agreement and the other Priority Secured Loan Documents to the extent such agreements,

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covenants, conditions, warranties, representations and other obligations relate to the Priority Secured Loans (including, without limitation, any Letters of Credit issued pursuant to the Priority Secured Credit Agreement), which Priority Secured Loans are evidenced by the Priority Secured Notes in an aggregate principal face amount of \$140,000,000 and the maturity date is February 28, 2007.

(g) **“Priority Secured Loan Documents”**: All of the documents defined as “Priority Secured Loan Documents” in the Priority Secured Credit Agreement.

(h) **“Priority Secured Note”**: As the following terms are defined in the Priority Secured Credit Agreement, one or more of (i) the US Tranche Term Notes, (ii) the CN Tranche Term Notes, (iii) the US Tranche Revolving Notes and (iv) the CN Tranche Revolving Notes, or any combination thereof.

(i) **“Subject Lease”**: All of the leases, if any, described on Exhibit B attached hereto and incorporated herein by this reference.

(j) **“Term Notes”**: As the following terms are defined in the Credit Agreement, one or more of the (i) Restructured Term Notes, and (ii) the Supplemental Term Notes.

(k) **“Term Obligations”**: All of the agreements, covenants, conditions, warranties, representations and other obligations of Borrower (including, without limitation, the obligation to repay the Indebtedness) under the Credit Agreement and the other Term Loan Documents to the extent such agreements, covenants, conditions, warranties, representations and other obligations relate to the Term Loans, which Term Loans (including any Supplemental Term Loans) are evidenced by the Term Notes in an aggregate principal face amount of up to \$430,126,000 and the maturity date is February 29, 2008.

(l) **“UCC”**: The Uniform Commercial Code in the State of Illinois. If the creation, perfection and enforcement of any security interest herein granted is governed by the laws of a state other than Illinois, then, as to the matter in question, the term “UCC” means the UCC (as defined in the Credit Agreement) in effect in that state.

ARTICLE 2 GRANT

Section 2.1. Grant. To secure the full and timely payment of the Indebtedness and the full and timely payment and performance of the Obligations, Mortgagor **MORTGAGES, GRANTS, BARGAINS, ASSIGNS, SELLS and CONVEYS**, to Mortgagee the Mortgaged Property, subject, however, to the Permitted Encumbrances, **TO HAVE AND TO HOLD** the Mortgaged Property to Mortgagee, and Mortgagor does hereby bind itself, its successors and assigns to **WARRANT AND FOREVER DEFEND** the title to the Mortgaged Property unto Mortgagee, subject, as aforesaid, to the Permitted Encumbrances. This Mortgage secures, on a First Priority basis, the full and timely payment and performance of the Indebtedness and the Obligations in accordance with the provisions of the Intercreditor Agreement.

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ARTICLE 3

WARRANTIES, REPRESENTATIONS AND COVENANTS

Mortgagor warrants, represents and covenants to Mortgagee and the Lenders as follows:

Section 3.1. Title to Mortgaged Property and Lien of this Instrument. Mortgagor owns the Mortgaged Property free and clear of any liens, claims or interests, except the Permitted Encumbrances and except any other lien or security interest that (i) is permitted by the Credit Agreement and (ii) does not secure the repayment of borrowed money. This Mortgage creates valid, enforceable First Priority liens and security interests against the Mortgaged Property. Notwithstanding the foregoing and the provisions of Section 3.2 below, (a) this Mortgage is subject and subordinate to any lien or security interest encumbering the fee estate in the Premises to the same extent that the Subject Lease is subject and subordinate to such lien or security interest and shall have the benefit of any non-disturbance and attornment agreement that benefits the Subject Lease, unless expressly limited or prohibited by such non-disturbance and attornment agreement; and (b) in the event of any conflict between the obligations of Mortgagor under this Mortgage and the obligations of Mortgagor as lessee under the Subject Lease, the obligations of Mortgagor as lessee under the Subject Lease shall prevail.

Section 3.2. First Lien Status. Mortgagor shall preserve and protect the First Priority lien and security interest status of this Mortgage and the other Loan Documents. If any lien or security interest other than the Permitted Encumbrances or other than any other lien or security interest that is permitted by the Credit Agreement and does not secure the repayment of borrowed money is asserted against the Mortgaged Property, Mortgagor shall promptly, and at its expense, (a) give Mortgagee a detailed written notice of such lien or security interest (including origin, amount and other terms), and (b) pay the underlying claim in full or take such other action so as to cause it to be released or contest the same in compliance with the requirements of the Credit Agreement (including the requirement of providing a bond or other security satisfactory to Mortgagee).

Section 3.3. Payment and Performance. To the extent required to do so under the Loan Documents, Mortgagor shall pay the Indebtedness when due under the Loan Documents and shall perform the Obligations in full when they are required to be performed.

Section 3.4. Replacement of Fixtures and Personalty. Except as may be expressly permitted under the Credit Agreement, Mortgagor shall not, without the prior written consent of Mortgagee, permit any of the Fixtures or Personalty to be removed at any time from the Land or Improvements, unless the removed item is removed temporarily for maintenance and repair or, if removed permanently, is obsolete and is replaced, to the extent required by the Credit Agreement, by an article of equal or better suitability and value, owned by Mortgagor subject to the liens and security interests of this Mortgage and the other Loan Documents, and free and clear of any other lien or security interest.

Section 3.5. Inspection. Mortgagor shall permit Mortgagee and the Lenders, and their respective agents, representatives and employees, upon reasonable prior notice to Mortgagor, and in compliance with the Subject Lease, to inspect the Mortgaged Property and all books and records of Mortgagor located thereon, and to conduct such environmental and engineering

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studies as Mortgagee or the Lenders may require, provided that Mortgagor may, if it so chooses, have its representative be present at and accompany Mortgagee during such inspections and studies and such inspections and studies shall not materially interfere with the use and operation of the Mortgaged Property.

Section 3.6. Other Covenants. To the extent not expressly limited or prohibited by the Subject Lease, all of the covenants of Borrower (and, if a party thereto, Mortgagor) in the Credit Agreement are incorporated herein by reference and, together with covenants in this Article 3, shall be covenants running with the Land.

Section 3.7. Condemnation Awards and Insurance Proceeds.

(a) Condemnation Awards. To the extent provided in Section 6.4 of the Credit Agreement and as may be permitted by the Subject Lease, Mortgagor assigns all awards and compensation to which it is entitled for any condemnation or other taking, or any purchase in lieu thereof, to Mortgagee and authorizes Mortgagee to collect and receive such awards and compensation and to give proper receipts and acquittances therefor, in accordance with the terms of the Credit Agreement. All proceeds of any such condemnation or other taking shall be applied as provided in subsection 2.4B of the Credit Agreement.

(b) Insurance Proceeds. To the extent provided in Section 6.4 of the Credit Agreement and as may be permitted by the Subject Lease, Mortgagor (i) assigns to Mortgagee all proceeds of any insurance policies insuring against loss or damage to the Mortgaged Property; and (ii) Mortgagor authorizes Mortgagee to collect and receive such proceeds and authorizes and directs the issuer of each of such insurance policies to make payment for all such losses directly to Mortgagee, instead of to Mortgagor and Mortgagee jointly. All such proceeds shall be applied as provided in subsection 2.4B of the Credit Agreement.

ARTICLE 4 LEASEHOLD PROVISIONS

Section 4.1. Representations; Warranties; Covenants. Mortgagor hereby represents, warrants and covenants with respect to the Subject Lease, that:

(a) (1) Such Subject Lease is in full force and effect, (2) all rent and all other charges therein that must be paid in order to prevent the occurrence and continuance of, beyond any applicable cure period, a default under such Subject Lease have been paid to the extent they are payable to the date hereof or such payment has been and remains stayed by the Chapter 11 Cases, (3) Mortgagor enjoys the quiet and peaceful possession of the property demised thereby, (4) to the best of Mortgagor's knowledge and except as may be set forth in a schedule to the Credit Agreement, no event of default on the part of Mortgagor exists with respect to any of its material obligations under the Subject Lease (other than the pendency of the Chapter 11 Cases or an event of default that could not reasonably be expected to result in a material adverse change in the business, operations, properties, assets, liabilities, financial or other condition or prospects of Borrower and its Subsidiaries) and there are no circumstances which, with the passage of time or the giving of notice or both, would constitute an event of default thereunder, and (5) Mortgagor

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has not delivered to lessor thereunder a notice of any material default under any of the terms or provisions thereof on the part of the lessor to be observed or performed;

(b) Mortgagor shall promptly pay, when due and payable, the rent and other charges payable pursuant to such Subject Lease that must be paid in order to prevent an event of default under such Subject Lease, and will timely perform and observe all of the other terms, covenants and conditions required to be performed and observed by Mortgagor as lessee under such Subject Lease in order to prevent an event of default with respect to any of its material obligations under such Subject Lease;

(c) Mortgagor shall notify Mortgagee in writing of any written notice of default received by Mortgagor in the performance or observance of any terms, covenants or conditions on the part of Mortgagor to be performed or observed under such Subject Lease within five (5) business days after Mortgagor receives such notice of default;

(d) Mortgagor shall, within three (3) business days after receipt thereof, deliver a copy of each notice of default, cancellation or termination given to Mortgagor by the lessor pursuant to such Subject Lease;

(e) Except as may be expressly permitted under the Credit Agreement or unless required under the terms of such Subject Lease, Mortgagor shall not, without the prior written consent of Mortgagee (which may be granted or withheld in Mortgagee's sole and absolute discretion) terminate or surrender such Subject Lease, or modify such Subject Lease in a manner that would materially adversely affect Mortgagor's rights or obligations as lessee under such Subject Lease; and

(f) Mortgagor shall, within twenty (20) days after written request from Mortgagee, use commercially reasonable efforts to obtain from the lessor and deliver to Mortgagee a certificate setting forth the name of the tenant thereunder and stating that such Subject Lease is in full force and effect, is unmodified or, if such Subject Lease has been modified, the date of each modification (together with copies of each such modification), that no notice of termination thereon has been served on Mortgagor, stating that no default or event which with notice or lapse of time (or both) would become a default existing under such Subject Lease, or specifying the nature of any defaults, if any, stating the date to which rent has been paid, and containing such other statements and representations as may be provided for in such Subject Lease.

Section 4.2. No Merger. So long as any of the Indebtedness or the Obligations remains unpaid or unperformed, the fee title to and the leasehold estate in the premises subject to such Subject Lease shall not merge but shall always be kept separate and distinct notwithstanding the union of such estates in the lessor or Mortgagor, or in a third party, by purchase or otherwise. If Mortgagor acquires the fee title or any other estate, title or interest in the property demised by the Subject Lease, or any part thereof, the lien of this Mortgage shall attach to, cover and be a lien upon such acquired estate, title or interest and the same shall thereupon be and become a part of the Mortgaged Property with the same force and effect as if specifically encumbered herein. Mortgagor agrees to execute all instruments and documents that

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Mortgagee may reasonably require to ratify, confirm and further evidence the lien of this Mortgage on the acquired estate, title or interest. Furthermore, Mortgagor hereby appoints Mortgagee as its true and lawful attorney-in-fact to execute and deliver, following an Event of Default, all such instruments and documents in the name and on behalf of Mortgagor. This power, being coupled with an interest, shall be irrevocable as long as any portion of the Indebtedness remains unpaid.

Section 4.3. Mortgagee as Lessee. If the Subject Lease shall be terminated prior to the natural expiration of its term due to default by Mortgagor or any tenant thereunder, and if pursuant to the provisions of such Subject Lease, Mortgagee or its designee shall acquire from the lessor a new lease of the premises subject to the Subject Lease, Mortgagor shall have no right, title or interest in or to such new lease or the leasehold estate created thereby, or renewal privileges therein contained.

Section 4.4. No Assignment. Notwithstanding anything to the contrary contained herein, this Mortgage shall not constitute an assignment of any Subject Lease within the meaning of any provision thereof prohibiting its assignment and Mortgagee shall have no liability or obligation thereunder by reason of its acceptance of this Mortgage. Mortgagee shall be liable for the obligations of the tenant arising out of any Subject Lease for only that period of time for which Mortgagee is in possession of the premises demised thereunder or has acquired, by foreclosure or otherwise, and is holding all of Mortgagor's right, title and interest therein.

ARTICLE 5

DEFAULT AND FORECLOSURE

Section 5.1. Remedies. If an Event of Default exists, Mortgagee may, at Mortgagee's election, exercise any or all of the following rights, remedies and recourses:

(a) **Acceleration.** Declare the Indebtedness to be immediately due and payable, without further notice, presentment, protest, notice of intent to accelerate, notice of acceleration, demand or action of any nature whatsoever (each of which hereby is expressly waived by Mortgagor), whereupon the same shall become immediately due and payable.

(b) **Entry on Mortgaged Property.** To the extent not prohibited by applicable law, enter the Mortgaged Property and take exclusive possession thereof and of all books, records and accounts relating thereto or located thereon. If Mortgagor remains in possession of the Mortgaged Property after an Event of Default, Mortgagee may invoke any legal remedies to dispossess Mortgagor permitted under and in accordance with applicable law.

(c) **Operation of Mortgaged Property.** Hold, lease, develop, manage, operate or otherwise use the Mortgaged Property upon such terms and conditions as Mortgagee may deem reasonable under the circumstances (making such repairs, alterations, additions and improvements and taking other actions, from time to time, as Mortgagee deems reasonably necessary or desirable), and apply all Rents and other amounts collected by Mortgagee in connection therewith in accordance with the provisions of Section 5.7.

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(d) Foreclosure and Sale. To the extent permitted under and in accordance with applicable law, institute proceedings for the complete foreclosure of this Mortgage, by judicial action, in which case the Mortgaged Property may be sold for cash or credit in one or more parcels. With respect to any notices required or permitted under the UCC, Mortgagor agrees that ten (10) days' prior written notice shall be deemed commercially reasonable. At any such sale by virtue of any judicial proceedings or any other legal right, remedy or recourse, the title to and right of possession of any such property shall pass to the purchaser thereof, and to the fullest extent permitted by law, Mortgagor shall be completely and irrevocably divested of all of its right, title, interest, claim, equity, equity of redemption, and demand whatsoever, either at law or in equity, in and to the property sold and such sale shall be a perpetual bar both at law and in equity against Mortgagor, and against all other Persons claiming or to claim the property sold or any part thereof, by, through or under Mortgagor. Mortgagee or any of the Lenders may be a purchaser at such sale and if Mortgagee or any Lender is the highest bidder, Mortgagee or such Lender may credit the portion of the purchase price that would be distributed to Mortgagee or such Lender against the Indebtedness in lieu of paying cash. In the event this Mortgage is foreclosed by judicial action, appraisal of the Mortgaged Property is waived.

(e) Receiver. Make application to a court of competent jurisdiction for, and obtain from such court as a matter of strict right and without notice to Mortgagor or regard to the adequacy of the Mortgaged Property for the repayment of the Indebtedness, the appointment of a receiver of the Mortgaged Property, and Mortgagor irrevocably consents to such appointment. Any such receiver shall have all the usual powers and duties of receivers in similar cases, including the full power to rent, maintain and otherwise operate the Mortgaged Property upon such terms as may be approved by the court, and shall apply such Rents in accordance with the provisions of Section 5.7.

(f) Other. Exercise all other rights, remedies and recourses granted under the Loan Documents, or otherwise available at law or in equity. Neither Mortgagee nor Lenders shall have any obligation of any kind to make a motion or application to any court to exercise their rights and remedies set forth or referred to in this Mortgage or in the other Loan Documents.

Section 5.2. Separate Sales. Upon the occurrence and during the continuance of an Event of Default and to the extent permitted under applicable law, the Mortgaged Property may be sold in one or more parcels and in such manner and order as Mortgagee in its sole discretion may elect; the right of sale arising out of any Event of Default shall not be exhausted by any one or more sales.

Section 5.3. Remedies Cumulative, Concurrent and Nonexclusive. Mortgagee and the Lenders shall have all rights, remedies and recourses granted in the Loan Documents and available at law or equity (including the UCC), which rights (a) shall be cumulated and concurrent, (b) may be pursued separately, successively or concurrently against Mortgagor, Borrower, Canadian Borrower or others obligated under the Loan Documents, or against the Mortgaged Property, or against any one or more of them, at the sole discretion of Mortgagee or the Lenders, (c) may be exercised as often as occasion therefor shall arise, and the exercise or

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failure to exercise any of them shall not be construed as a waiver or release thereof or of any other right, remedy or recourse, and (d) are intended to be, and shall be, nonexclusive. No action by Mortgagee or the Lenders in the enforcement of any rights, remedies or recourses under the Loan Documents or otherwise at law or equity shall be deemed to cure any Event of Default.

Section 5.4. Release of and Resort to Collateral. Mortgagee may release, regardless of consideration and without the necessity for any notice to or consent by the holder of any subordinate lien on the Mortgaged Property, any part of the Mortgaged Property without, as to the remainder, in any way impairing, affecting, subordinating or releasing the liens or security interests created in or evidenced by the Loan Documents or their status as a First Priority lien and security interest in and to the Mortgaged Property. For payment of the Indebtedness and performance of the Obligations, Mortgagee may resort to any other security in such order and manner as Mortgagee may elect.

Section 5.5. Waiver of Redemption, Notice and Marshalling of Assets. To the fullest extent permitted by law, Mortgagor hereby irrevocably and unconditionally waives and releases (a) all benefit that might accrue to Mortgagor by virtue of any present or future statute of limitations or law or judicial decision exempting the Mortgaged Property from attachment, levy or sale on execution or providing for any stay of execution, exemption from civil process, redemption or extension of time for payment, (b) all notices of any Event of Default, except to the extent such notice is required pursuant to the Credit Agreement, or of Mortgagee's election to exercise or the actual exercise of any right, remedy or recourse provided for under the Loan Documents, and (c) any right to a marshalling of assets or a sale in inverse order of alienation.

Section 5.6. Discontinuance of Proceedings. If Mortgagee or the Lenders shall have proceeded to invoke any right, remedy or recourse permitted under the Loan Documents and shall thereafter elect to discontinue or abandon it for any reason, Mortgagee or the Lenders shall have the unqualified right to do so and, in such an event, Mortgagor, Mortgagee and the Lenders shall be restored to their former positions with respect to the Indebtedness, the Obligations, the Loan Documents, the Mortgaged Property and otherwise, and the rights, remedies, recourses and powers of Mortgagee and the Lenders shall continue as if the right, remedy or recourse had never been invoked, but no such discontinuance or abandonment shall waive any Event of Default which may then exist or the right of Mortgagee or the Lenders thereafter to exercise any right, remedy or recourse under the Loan Documents for such Event of Default.

Section 5.7. Application of Proceeds. The proceeds of any sale of any part of the Mortgaged Property, and the Rents and other amounts generated by the holding, leasing, management, operation or other use of the Mortgaged Property following an Event of Default, shall be applied by Mortgagee in accordance with subsection 2.4D of the Credit Agreement.

Section 5.8. Occupancy After Foreclosure. Any sale of the Mortgaged Property or any part thereof in accordance with Section 5.1(d) will divest all right, title and interest of Mortgagor in and to the property sold. Subject to applicable law, any purchaser at a foreclosure sale will receive immediate possession of the property purchased. If Mortgagor retains possession of such property or any part thereof subsequent to such sale, Mortgagor will be

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considered a tenant at sufferance of the purchaser, and will, if Mortgagor remains in possession after demand to remove, be subject to eviction and removal, forcible or otherwise.

Section 5.9. Additional Advances and Disbursements; Costs of Enforcement.

(a) If any Event of Default exists, Mortgagee and each of the Lenders shall have the right, but not the obligation, to cure such Event of Default in the name and on behalf of Mortgagor. All sums advanced and expenses incurred at any time by Mortgagee or any Lender under this Section 5.9, or otherwise under this Mortgage, any of the other Loan Documents or applicable law, shall bear interest from the date that such sum is advanced or expense incurred, to and including the date of reimbursement, computed at a rate which is 2% per annum in excess of the interest rate payable under the Credit Agreement for Base Rate Loans, and all such sums, together with interest thereon, shall be secured by this Mortgage.

(b) Mortgagor shall pay all expenses (including reasonable attorneys' fees and expenses) of or incidental to the perfection and enforcement of this Mortgage and the other Loan Documents, or the enforcement, compromise or settlement of the Indebtedness or any claim under this Mortgage and the other Loan Documents, and for the curing thereof, or for defending or asserting the rights and claims of Mortgagee in respect thereof, by litigation or otherwise.

Section 5.10. No Mortgagee in Possession. Neither the enforcement of any of the remedies under this Article 5, the assignment of the Rents and Leases under Article 6, the security interests under Article 7, nor any other remedies afforded to Mortgagee under the Loan Documents, at law or in equity shall cause Mortgagee or any Lender to be deemed or construed to be a mortgagee in possession of the Mortgaged Property, to obligate Mortgagee or any Lender to lease the Mortgaged Property or attempt to do so, or to take any action, incur any expense, or perform or discharge any obligation, duty or liability whatsoever under any of the Leases or otherwise.

Section 5.11. Due On Sale. In order to induce Mortgagee and Lenders to make the Loans and other extensions of credit under the Priority Secured Credit Agreement and the Credit Agreement, Mortgagor agrees that, except as otherwise expressly permitted pursuant to subsection 7.7 of the Credit Agreement, in the event of any "transfer" of the Mortgaged Property without the prior written consent of Mortgagee, Mortgagee has the absolute right at its option, without prior demand or notice, to declare all sums secured by this Mortgage immediately due and payable. Consent to one such transaction will not be deemed to be a waiver of the right to require consent to future or successive transactions. Mortgagee may grant or deny such consent in its sole discretion and, if consent is given, unless otherwise agreed, any such transfer will be subject to this Mortgage, and any such transferee shall assume all obligations hereunder and agree to be bound by all provisions contained herein. Such assumption will not, however, release Mortgagor, Borrower or any maker or guarantor of the Obligations from any liability thereunder without the prior written consent of Mortgagee and Lenders. As used herein, "transfer" includes the direct or indirect sale, agreement to sell, transfer, conveyance, pledge, collateral assignment or hypothecation of the Mortgaged Property, or any portion thereof or interest therein, whether voluntary, involuntary, by operation of law or otherwise, the execution of any installment land sale contract or similar instrument affecting all or a portion of the

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Mortgaged Property, or the lease of all or substantially all of the Mortgaged Property. The term “transfer” also includes a Change of Control in Mortgagor, Canadian Borrower or Borrower.

ARTICLE 6

ASSIGNMENT OF RENTS AND LEASES

Section 6.1. Assignment. In furtherance of and in addition to the assignment made by Mortgagor in Section 2.1 of this Mortgage, Mortgagor hereby absolutely and unconditionally assigns, sells, transfers and conveys to Mortgagee all of its right, title and interest in and to all Leases (if and to the extent assignable), whether now existing or hereafter entered into, and all of its right, title and interest in and to all Rents. This assignment is an absolute assignment and not an assignment for additional security only. So long as no Event of Default shall have occurred and be continuing, Mortgagor shall have a revocable license from Mortgagee to exercise all rights extended to the landlord under the Leases, including the right to receive and collect all Rents and to hold the Rents in trust for use in the payment and performance of the Obligations and to otherwise use and apply the same as may be required under the Subject Lease. Upon the occurrence and during the continuance of an Event of Default, whether or not legal proceedings have commenced, and without regard to waste, adequacy of security for the Indebtedness or the Obligations or solvency of Mortgagor, the license herein granted shall automatically expire and terminate, without notice to Mortgagor by Mortgagee (any such notice being hereby expressly waived by Mortgagor).

Section 6.2. Perfection Upon Recordation. Mortgagor covenants that upon recordation of this Mortgage Mortgagee shall have, to the extent permitted under applicable law, a valid and fully perfected, First Priority, present assignment of the Rents arising out of the Leases and all security for such Leases with respect to the Indebtedness and the Obligations. Mortgagor acknowledges that Mortgagee has taken all actions necessary to obtain, and that upon recordation of this Mortgage, Mortgagee shall have, to the extent permitted under applicable law, a valid and fully perfected, First Priority, present assignment of the Rents arising out of the Leases and all security for such Leases. Mortgagor acknowledges and agrees that upon recordation of this Mortgage Mortgagee’s interest in the Rents shall be deemed to be fully perfected, “choate” and enforced as to Mortgagor and all third parties, including, without limitation, any subsequently appointed trustee in any case under Title 11 of the United States Code (the “**Bankruptcy Code**”), without the necessity of commencing a foreclosure action with respect to this Mortgage, making formal demand for the Rents, obtaining the appointment of a receiver or taking any other affirmative action. For purposes of this Section 6.2 “possession” shall mean any one of the following to the extent permitted by applicable law: (a) actual possession of the Mortgaged Property or (b) taking affirmative actions to gain possession of the Mortgaged Property that would constitute constructive possession of the Mortgaged Property such as court authorization to collect Rents or appointment of a receiver. To the extent permitted by applicable law, Mortgagee shall have the right to collect Rents without taking possession of the Mortgaged Property.

Section 6.3. Bankruptcy Provisions. Without limitation of the provisions of Article 7 hereof or of the absolute nature of the assignment of the Rents hereunder, Mortgagor and Mortgagee agree that (a) this Mortgage shall constitute a “security agreement” for purposes of

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Section 552(b) of the Bankruptcy Code, (b) the security interest created by this Mortgage extends to property of Mortgagor acquired before the commencement of a case in bankruptcy and to all amounts paid as Rents and (c) such security interest shall extend to all Rents acquired by the estate after the commencement of any case in bankruptcy. Without limitation of the provisions of Article 7 hereof or of the absolute nature of the assignment of the Rents hereunder, to the extent Mortgagor (or Mortgagor's bankruptcy estate) shall be deemed to hold any interest in the Rents after the commencement of a voluntary or involuntary bankruptcy case, Mortgagor hereby acknowledges and agrees that such Rents are and shall be deemed to be "cash collateral" under Section 363 of the Bankruptcy Code. Mortgagor may not use the cash collateral without the consent of Mortgagee and/or an order of any bankruptcy court pursuant to 11 U.S.C. 363(c)(2), and Mortgagor hereby waives any right it may have to assert that such Rents do not constitute cash collateral. No consent by Mortgagee to the use of cash collateral by Mortgagor shall be deemed to constitute Mortgagee's approval, as the case may be, of the purpose for which such cash collateral was expended.

ARTICLE 7 SECURITY AGREEMENT

Section 7.1. Security Interest. This Mortgage constitutes a "security agreement" on personal property within the meaning of the UCC and other applicable law and with respect to the Improvements, Fixtures, Personalty, Deposit Accounts, Leases, Rents, Property Agreements, Tax Refunds, Proceeds, Insurance, Condemnation Awards and Purchase Options. Such security interest shall constitute a First Priority security interest with respect to the Indebtedness and the Obligations. To this end, Mortgagor grants to Mortgagee a First Priority security interest in the Improvements, Fixtures, Personalty, Deposit Accounts, Leases, Rents, Property Agreements, Tax Refunds, Proceeds, Insurance, Condemnation Awards, Purchase Options and all other Mortgaged Property that is personal property to secure the payment of the Indebtedness and performance of the Obligations. Mortgagor agrees that Mortgagee shall have all the rights and remedies of a secured party under the UCC with respect to such property. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Improvements, Fixtures, Personalty, Deposit Accounts, Leases, Rents, Property Agreements, Tax Refunds, Proceeds, Insurance, Condemnation Awards, Purchase Options and all other Mortgaged Property that is personal property sent to Mortgagor at least ten (10) days prior to any action under the UCC shall constitute reasonable notice to Mortgagor.

Section 7.2. Financing Statements. Mortgagor shall execute and deliver to Mortgagee, in form and substance reasonably satisfactory to Mortgagee, such financing statements and such further assurances as Mortgagee may, from time to time, reasonably consider necessary to create, perfect and preserve Mortgagee's security interest hereunder and Mortgagee may cause such statements and assurances to be recorded and filed, at such times and places as may be required or permitted by law to so create, perfect and preserve such security interest. Mortgagor is incorporated in the State of Delaware, and Mortgagor's chief executive office is in the State of New York at the address set forth in the first paragraph of this Mortgage.

Section 7.3. Fixture Filing. This Mortgage shall also constitute a "fixture filing" for the purposes of the UCC against all of the Mortgaged Property which is or is to become fixtures.

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Information concerning the security interest herein granted may be obtained at the addresses of Debtor (Mortgagor) and Secured Party (Mortgagee) as set forth in the first paragraph of this Mortgage.

ARTICLE 8

[Intentionally Omitted]

ARTICLE 9

MISCELLANEOUS

Section 9.1. Notices. Any notice required or permitted to be given under this Mortgage shall be given in accordance with subsection 10.8 of the Credit Agreement.

Section 9.2. Covenants Running with the Land. All Obligations contained in this Mortgage are intended by Mortgagor and Mortgagee to be, and shall be construed as, covenants running with the Mortgaged Property. As used herein, "Mortgagor" shall refer to the party named in the first paragraph of this Mortgage and to any subsequent owner of all or any portion of the Mortgaged Property. All Persons who may have or acquire an interest in the Mortgaged Property shall be deemed to have notice of, and be bound by, the terms of the Credit Agreement and the other Loan Documents; however, no such party shall be entitled to any rights thereunder without the prior written consent of Mortgagee.

Section 9.3. Attorney-in-Fact. Mortgagor hereby irrevocably appoints Mortgagee and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest and with full power of substitution, from time to time upon the occurrence and during the continuance of an Event of Default, (a) to execute and/or record any notices of completion, cessation of labor or any other notices that Mortgagee deems appropriate to protect Mortgagee's interest, if Mortgagor shall fail to do so within ten (10) days after written request by Mortgagee, (b) upon the issuance of a deed pursuant to the foreclosure of this Mortgage or the delivery of a deed in lieu of foreclosure, to execute all instruments of assignment, conveyance or further assurance with respect to the Improvements, Fixtures, Personality, Deposit Accounts, Leases, Rents, Property Agreements, Tax Refunds, Proceeds, Insurance, Condemnation Awards and Purchase Options in favor of the grantee of any such deed and as may be reasonably necessary or desirable for such purpose, (c) to prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve Mortgagee's security interests and rights in or to any of the Mortgaged Property, and (d) while any Event of Default exists, to perform any obligation of Mortgagor hereunder, however: (1) Mortgagee shall not under any circumstances be obligated to perform any obligation of Mortgagor; (2) any sums advanced by Mortgagee in such performance shall be added to and included in the Indebtedness and shall bear interest at a rate which is 2% per annum in excess of the interest rate payable under the Credit Agreement for Base Rate Loans; (3) Mortgagee as such attorney-in-fact shall only be accountable for such funds as are actually received by Mortgagee; and (4) Mortgagee shall not be liable to Mortgagor or any other person or entity for any failure to take any action which it is empowered to take under this Section 9.3.

Section 9.4. Successors and Assigns. This Mortgage shall be binding upon and inure to the benefit of Mortgagee, the Lenders and Mortgagor and their respective successors and

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assigns. Mortgagor shall not, without the prior written consent of Mortgagee, assign any rights, duties or obligations hereunder.

Section 9.5. No Waiver. Any failure by Mortgagee to insist upon strict performance of any of the terms, provisions or conditions of the Loan Documents shall not be deemed to be a waiver of same, and Mortgagee or the Lenders shall have the right at any time to insist upon strict performance of all of such terms, provisions and conditions.

Section 9.6. Credit Agreement. If any conflict or inconsistency exists between this Mortgage and the Credit Agreement, the Credit Agreement shall govern.

Section 9.7. Release or Reconveyance. Upon payment in full of the Indebtedness and performance in full of the Obligations, upon a sale or other disposition of the Mortgaged Property permitted by the Credit Agreement, or upon expiration of the term of the Subject Lease, Mortgagee, at Mortgagor's expense, shall release the liens and security interests created by this Mortgage or reconvey the Mortgaged Property to Mortgagor.

Section 9.8. Waiver of Stay, Moratorium and Similar Rights. Mortgagor agrees, to the full extent that it may lawfully do so, that it will not at any time insist upon or plead or in any way take advantage of any stay, marshalling of assets, extension, redemption or moratorium law now or hereafter in force and effect so as to prevent or hinder the enforcement of the provisions of this Mortgage or the Indebtedness or Obligations secured hereby, or any agreement between Mortgagor and Mortgagee or any rights or remedies of Mortgagee or the Lenders.

Section 9.9. Applicable Law. The provisions of this Mortgage regarding the creation, perfection and enforcement of the Liens and security interests herein granted with respect to the Premises and Fixtures shall be governed by and construed under the laws of the state in which the Mortgaged Property is located. The provisions of this Mortgage regarding the perfection of the Liens with respect to the Personalty and any other personal property shall be governed by the UCC. All other provisions of this Mortgage shall be governed by the laws of the State of New York (including, without limitation, Section 5-1401 of the General Obligations Law of the State of New York), without regard to conflicts of laws principles.

Section 9.10. Headings. The Article, Section and Subsection titles hereof are inserted for convenience of reference only and shall in no way alter, modify or define, or be used in construing, the text of such Articles, Sections or Subsections.

Section 9.11. Entire Agreement. This Mortgage and the other Loan Documents embody the entire agreement and understanding between Mortgagee and Mortgagor and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof. Accordingly, this Mortgage and the other Loan Documents may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

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Section 9.12. Mortgagee as Agent; Successor Agents.

(a) Mortgagee has been appointed by the Lenders to act as Agent under the Credit Agreement and, in such capacity, to act as Mortgagee hereunder. Mortgagee shall have the right hereunder to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including, without limitation, the release or substitution of the Mortgaged Property) in accordance with the terms of the Credit Agreement, any related agency agreement among Mortgagee and the Lenders (collectively, as amended, supplemented or otherwise modified or replaced from time to time, the "Agency Documents") and this Mortgage. Mortgagor and all other persons shall be entitled to rely on releases, waivers, consents, approvals, notifications and other acts of Agent to be such releases, waivers, consents, approvals, notifications and other actions of Mortgagee hereunder, without inquiry into the existence of required consents or approvals of the Lenders therefor.

(b) Mortgagee shall at all times be the same Person that is Agent under the Agency Documents. Written notice of resignation by Agent pursuant to the Agency Documents shall also constitute notice of resignation of Agent as Mortgagee under this Mortgage. Removal of Agent pursuant to any provision of the Agency Documents shall also constitute removal of Agent as Mortgagee under this Mortgage. Appointment of a successor Agent pursuant to the Agency Documents shall also constitute appointment of a successor Agent as Mortgagee under this Mortgage. Upon the acceptance of any appointment as Agent by a successor Agent under the Agency Documents, that successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring or removed Agent as Mortgagee under this Mortgage, and the retiring or removed Agent shall promptly (i) assign and transfer to such successor Agent all of its right, title and interest as Mortgagee in and to this Mortgage and the Mortgaged Property, and (ii) execute and deliver to such successor Agent such assignments and amendments and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Agent of the liens and security interests created under this Mortgage, whereupon such retiring or removed Agent shall be discharged from its duties and obligations under this Mortgage. After any retired or removed Agent's resignation or removal hereunder as Mortgagee, the provisions of this Mortgage and the Agency Documents shall inure to its benefit as to any actions taken or omitted to be taken by it under this Mortgage while it was the Mortgagee hereunder.

Section 9.13. Severability. If any term, covenant or condition of this Mortgage shall be held to be invalid, illegal or unenforceable in any respect, this Mortgage shall be construed without giving effect to such provision, and the remaining provisions of this Mortgage shall remain in full force and effect.

Section 9.14. Intercreditor Agreement. During the time period that the Intercreditor Agreement is in effect, each provision contained in the Intercreditor Agreement, which specifies the manner of priority of application of Insurance proceeds, Condemnation Awards, Tax Refunds, Rents or proceeds of any sale of any part of the Mortgaged Property under this Mortgage, shall govern and control over each provision contained in the Credit Agreement or in

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this Mortgage with respect to the application of same against the payment of the Indebtedness, the performance of the Obligations, or the payment any costs or expense under this Mortgage.

ARTICLE 10 LOCAL LAW PROVISIONS

Section 10.1. Inconsistencies. In the event of any inconsistencies between the terms and conditions of this Article 10 and the other provisions of this Mortgage, the terms and conditions of this Article 10 shall control and be binding.

Section 10.2. Maximum Principal Sum. The Obligations are to be secured by other mortgages and deeds of trust on other real estate in other counties and other states. Each and all of such mortgages and deeds of trust are intended to and shall constitute security for the entire Indebtedness represented by the Obligations without allocation. Notwithstanding anything herein to the contrary, it is agreed that the maximum amount of Indebtedness secured by this Mortgage, including all advancements, at any one time shall not exceed \$820,126,000.

Section 10.3. In Rem Proceedings. Supplementing Section 5.1 hereof, mortgage foreclosures and other *In Rem* proceedings against Mortgagor may be brought in Cook County, Illinois or any federal court of competent jurisdiction in Illinois.

Section 10.4. Future Advances; Revolving Credit. Mortgagee is obligated under the terms of the Credit Agreement to make advances as provided therein, and Mortgagor acknowledges and intends that all such advances, including future advances whenever hereafter made, shall be a lien from the time this Mortgage is recorded, as provided in Section 15-1302(b)(1) of the Act (as hereinafter defined). That portion of the Obligations which comprises the principal amount then outstanding of the Revolving Loans constitutes revolving credit indebtedness secured by a mortgage on real property, pursuant to the terms and conditions of 204 ILCS 5/5(d), Mortgagor covenants and agrees that this Mortgage shall secure the payment of all loans and advances made pursuant to the terms and provision of the Credit Agreement, whether such loans and advances are made as of the date hereof or at any time in the future, and whether such future advances are obligatory or are to be made at the option of Mortgagee or otherwise (but not advances or loans made more than 20 years after the date hereof), to the same extent as if such future advances were made on the date of the execution of this Mortgage and although there may be no advances made at the time of the execution of this Mortgage and although there may be no other indebtedness outstanding at the time any advance is made. The lien of this Mortgage shall be valid as to all Obligations, including future advances, from the time of its filing of record in the office of the Recorder of Deeds of the County in which the Mortgaged Property is located. The total amount of the Obligations may increase or decrease from time to time, but the total unpaid principal balance of the Obligations (including disbursements which Mortgagee may make under this Mortgage or any other document or instrument evidencing or securing the Secured) at any time outstanding shall not exceed the amount referred to in Section 10.2 of this Mortgage. This Mortgage shall be valid and shall have priority over all subsequent liens and encumbrances, including a statutory liens except taxes and assessments levied on the Mortgaged Property, to the extent of the maximum amount secured hereby.

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Section 10.5. Illinois Mortgage Foreclosure Law. It is the intention of Mortgagor and Mortgagee that the enforcement of the terms and provisions of this Mortgage shall be accomplished in accordance with the Illinois Mortgage Foreclosure Law (the "Act"), 735 ILCS 15-1101, et seq., and with respect to such Act Mortgagor agrees and covenants that:

(a) Mortgagor and Mortgagee shall have the benefit of all of the provisions of the Act, including all amendments thereto which may become effective from time to time after the date hereof. In the event any provision of the Act which is specifically referred to herein may be repealed, Mortgagee shall have the benefit of such provision as most recently existing prior to such repeal, as though the same were incorporated herein by express reference;

(b) Wherever provision is made in this Mortgage or the Credit Agreement for insurance policies to bear mortgage clauses or other loss payable clauses or endorsements in favor of Mortgagee, or to confer authority upon Mortgagee to settle or participate in the settlement of losses under policies of insurance or to hold and disburse or otherwise control use of insurance proceeds, from and after the entry of judgment of foreclosure, all such rights and powers of Mortgagee shall continue in Mortgagee as judgment creditor or mortgagee until confirmation of sale;

(c) All advances, disbursements and expenditures made or incurred by Mortgagee before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, in addition to those otherwise authorized by this Mortgage, the Credit Agreement, the Priority Secured Credit Agreement or the Act (collectively "**Protective Advances**"), shall have the benefit of all applicable provisions of the Act.

All Protective Advances shall be so much additional indebtedness secured by this Mortgage, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the rate of interest payable after default under the terms of the Credit Agreement.

This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Mortgage is recorded pursuant to Subsection (b)(5) of Section 15-1302 of the Act.

(d) In addition to any provision of this Mortgage authorizing the Mortgagee to take or be placed in possession of the Mortgaged Property, or for the appointment of a receiver, Mortgagee shall have the right, in accordance with Sections 15-1701 and 15-1702 of the Act, to be placed in possession of the Mortgaged Property or at its request to have a receiver appointed, and such receiver, or Mortgagee, if and when placed in possession, shall have, in addition to any other powers provided in this Mortgage, all rights, powers, immunities, and duties as provided for in Sections 15-1701 and 15-1703 of the Act; and

(e) Mortgagor acknowledges that the Mortgaged Property does not constitute agricultural real estate, as said term is defined in Section 15-1201 of the Act or residential real

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estate as defined in Section 15-1219 of the Act. Pursuant to Section 15-1601(b) of the Act, Mortgagor hereby waives any and all right of redemption.

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IN WITNESS WHEREOF, Mortgagor has on the date set forth in the acknowledgement hereto, effective as of the date first above written, caused this instrument to be duly EXECUTED AND DELIVERED by authority duly given.


MORTGAGOR:

PLITT THEATRES, INC.,
a Delaware corporation

By:

Name:

Title:


JOHN J WALKER
SIC VP CFO & TREASURER

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State of New York County)
County of New York County) ss.

On March 19, 2002, before me, Richard Feldman, personally appeared Joseph Sparacio, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

[SEAL]

My Commission expires:

Rd Fd

Notary Public

RICHARD FELDMAN
NOTARY PUBLIC, State of New York
No. 01FB6028846
Qualified in New York County
Commission Expires August 9, 2005

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EXHIBIT A

Legal Description

Legal Description of premises located at: 330 E. Ohio Street,
Chicago, Illinois.

Record Owner: Smith Property Holdings McCling Court LLC

[see attached page(s) for legal description]

17-10-024

023

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17-10-207-014

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Lots 9, 12, 13, 16, 17 and 20 in Sub-Block 2 in the Sub-division of Block 31 in Kinzie's Addition to Chicago in the North fractional $\frac{1}{2}$ of Section 10, Township 39 North, Range 14 East of the 3rd Principal Meridian in Cook County, Illinois;

also

Lots 10, 11, 14, 15, 18 and 19 in Sub-Block 2 in the subdivision of Block 31 of Kinzie's Addition to Chicago, being a subdivision of the North Fractional $\frac{1}{2}$ of Section 10, Township 39 North, Range 14, East of the 3rd Principal Meridian in Cook County, Illinois;

also

Lots 21, 22, 23 and 24 (except that part of Lots 21 and 24 taken for North McClurg Court) in Circuit Court Partition of the Ogden Estate Subdivision of part of Blocks 20, 31 and 32 in Kinzie's Addition to Chicago, in the North $\frac{1}{2}$ of Section 10, Township 39 North, Range 14, East of the 3rd Principal Meridian in Cook County, Illinois;

also

Lots 22, 23, 24, 25 and 26 in Sub-Block 2 in the Sub-division of Block 31 in Kinzie's Addition to Chicago, in the North $\frac{1}{2}$ of Section 10 aforesaid:

also

The North $\frac{1}{2}$ of the vacated East and West alley lying South of and adjoining Lot 22 and the West 87 feet of Lot 21 in Circuit Court Partition aforesaid; also, the South $\frac{1}{2}$ of the vacated East and West alley lying North of and adjoining Lots 22 to 26 in Sub-Block 2 in the subdivision of Block 31 in Kinzie's Addition aforesaid, and lying North of and adjoining Lot 23 and the West 89 feet of Lot 24 in Circuit Court Partition aforesaid, all in Cook County, Illinois.

EXHIBIT A

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EXHIBIT B

Subject Lease

That certain lease agreement, dated as of January 1, 1987, between LeSalle National Bank ("Landlord"), as landlord, and Mortgagor, as tenant, pursuant to which Landlord leases to Mortgagor all or a portion of the Premises, a memorandum of which was recorded prior to this Mortgage.

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