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Cook County Recorder 75.50

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Katten Muchin Zavis Rosenman
525 West Monroe Street, Suite 1600
Chicago, Illinois 60661
Attn: Ferdinand J. Gallo III, Esq.



0020561175

(Space Above This Line for Recorder's Use Only.)

AMENDED AND RESTATED MORTGAGE WITH SECURITY AGREEMENT,
ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING

THIS AMENDED AND RESTATED MORTGAGE WITH SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING (this "Mortgage") is executed effective as of the 30th day of April, 2002, by 550 JACKSON ASSOCIATES LIMITED LIABILITY COMPANY, a Delaware limited liability company, as Mortgagor ("Mortgagor"), in favor of iSTAR FINANCIAL INC., a Maryland corporation, whose address is set forth below, as Mortgagee ("Mortgagee").

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RECITALS

A. Mortgagor and American National Bank and Trust Company of Chicago, a national banking association ("Original Lender"), entered into that certain Construction Loan Agreement dated as of February 11, 1999, as modified by that certain Loan Modification Agreement dated as of June 18, 2001 among Mortgagor, Carveout Guarantor and Original Lender (as so amended, the "Original Loan Agreement"), pursuant to which Original Lender agreed to make a loan to Mortgagor in the original principal amount of \$53,750,000.00 (the "Original Loan").

B. The Original Loan is evidenced by that certain Building Loan Mortgage Note in the original principal amount of \$53,750,000.00 dated as of February 11, 1999 executed by Mortgagor in favor of Original Lender, as assigned to Mortgagee pursuant to Allonge endorsement dated January 31, 2002 from Original Lender (the "Original Note").

C. The Original Loan, and repayment of the Original Note are secured by, inter alia, (i) that certain Construction Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Financing Statement dated as of February 11, 1999 by Mortgagor in favor of Original Lender, recorded on February 17, 1999 with the County Recorder for Cook County (the "Real Estate Records") as Document No. 99160102, encumbering, among other things, a fee simple estate in the Land described in Exhibit A attached hereto and the Improvements thereon, as assigned to Mortgagee pursuant to that certain Assignment and Assumption of Construction Mortgage and Assignment of Rents and Leases dated as of January 31, 2002 by Original Lender, recorded on February 26, 2002 in the Real Estate Records as Document No. 0020220163 (the "Assignment of Recorded Documents") (the "Original Mortgage"); and (ii) that certain Assignment of Rents and Leases dated as of February 11, 1999 by Mortgagor in favor of Original Lender, recorded on

February 17, 1999 with the County Recorder for Cook County as Document No. 99160102, as assigned to Mortgagee pursuant to the Assignment of Recorded Documents (the "Original Assignment of Leases").

E. Mortgagor has requested that Mortgagee agree to: (y) increase the maximum principal amount of the Original Loan to Sixty-Eight Million and No/100ths Dollars (\$68,000,000.00), and (z) otherwise modify the terms and conditions of the Original Loan Agreement and the other Original Loan Documents in certain other respects, as set forth in that certain Amended and Restated Loan and Security Agreement of even date herewith by and among Mortgagor, Mortgagee and others (as the same may be amended, modified and supplemented from time to time, the "Loan Agreement"), and Mortgagee has so agreed.

F. Mortgagor and Mortgagee have further agreed to amend, restate and consolidate the Original Mortgage and the Original Assignment of Leases in their entirety, on the terms and conditions hereinafter set forth in this Mortgage.

ARTICLE 1 DEFINITIONS

As used herein, the following terms shall have the following meanings, provided that capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Loan Agreement:

Assignment: The assignment contained in Article 4 of this Mortgage, from Mortgagor to Mortgagee, of all Mortgagor's right, title and interest in and to the Leases and the Rents.

Land: The real estate described in Exhibit A attached hereto.

Mortgage: This Amended and Restated Mortgage with Security Agreement, Assignment of Leases and Rents and Fixture Filing by and between Mortgagor and Mortgagee.

Mortgage Obligations: means, in the aggregate, all obligations, liabilities and indebtedness of every nature of Mortgagor from time to time owed to Lender under this Mortgage, the Note and the Loan Agreement; provided, however, that in no event shall the Mortgage Obligations include or be deemed to include the Obligations, liabilities and Indebtedness of Mortgagor or Carveout Guarantor under the Environmental Indemnity Agreement.

Mortgaged Property: The Land, the Improvements, the Fixtures and Personalty, the Leases, the Rents, the General Intangibles and all substitutions therefor, replacements and accessions thereto, and proceeds derived therefrom, together with:

(a) all of Mortgagor's right, title and interest in and to all buildings, improvements, tenements, easements, hereditaments, and appurtenances now and/or at any time or times hereafter upon, belonging or otherwise appertaining to or situated on the Land, including all minerals, oil, gas, other hydrocarbons and associated substances, sulphur, nitrogen, carbon dioxide, helium and other commercially valuable substances which may be in, under or produced from any

part of said real estate, all development rights and credits, air rights, water, water rights (whether riparian, appropriative or otherwise, and whether or not appurtenant) and water stock, and all heretofore or hereafter acquired roads, alleys, streets, passages and other publicways abutting said real estate, whether before or after vacation thereof;

(b) all of the rights, privileges, permits, licenses, tenements, hereditaments, rights-of-way, easements, appendages and appurtenances inuring to the benefit of the Land and/or the Buildings, including, without limitation, all Material Contracts, including, without limitation, all air rights, light, water rights, water stock, development rights and credits, use entitlements, permits, licenses and approvals of governmental entities, belonging or in anyway appertaining thereto and all right, title and interest of Mortgagor in and to any streets, ways, alleys, strips or gores of land adjoining the Land or any part thereof or otherwise benefitting the same;

(c) all the estate, right, title, interest, claim or demand whatsoever of Mortgagor, either at law or in equity, in and to the Land (including, without limitation, water, mineral and sewer rights), the Improvements, the Fixtures and Personalty, the Leases, the Rents, the General Intangibles and the Material Contracts;

(d) all the estate, right, title, interest, claim or demand whatsoever of Mortgagor, either at law or in equity, in and to condemnation awards or payments with respect to casualties;

(e) all other interest of every kind and character which Mortgagor now has or at any time hereafter acquires in and to the above-described real and personal property.

Mortgagee: iStar Financial Inc., a Maryland corporation, and its successors and assigns and the holders, from time to time, of the Note.

Mortgagee's Address: iStar Financial Inc., 1114 Avenue of the Americas, Twenty-Seventh Floor, New York, New York 10036, Attention: Chief Executive Officer.

Mortgagor: The entity named as such in the preamble of this Mortgage, and its heirs, administrators, executors, successors and assigns and its successors in interest in and to the Mortgaged Property.

Mortgagor's Address: c/o Mark Goodman & Associates, Inc., 737 North Michigan Avenue, Suite 2350, Chicago, Illinois 60611, Attn: Mark A. Goodman.

Rents: All of Mortgagor's right, title and interest in and to all of the rents, royalties, issues, profits, revenue, income, deposits, tenders, and other benefits payable and/or arising from the use or enjoyment of all or any portion of the Land and the Improvements or from any present and future Lease, Use Agreement, or Material Contract pertaining thereto, including, without limitation, any and all sums with respect to (a) the rental of rooms or other space, (b) the Accounts, and (c) parking revenue, prepaid rents and security deposits, all whether now due, past due, or to become due.

Security Agreement: The security agreement contained in Section 3 of this Mortgage, wherein and whereby Mortgagor grants a security interest in the Accounts, the Inventory, the Fixtures and Personalty and the General Intangibles to Mortgagee.

UCC: The Uniform Commercial Code as the same may be amended, modified or recodified from time to time in the State of Illinois and such other jurisdictions where UCC Financing Statements shall be filed from time to time to indicate Mortgagee's security interest in all or any portion of the Collateral.

ARTICLE 2 GRANT

2.1 Grant. To secure the payment, performance and discharge of the Mortgage Obligations, Mortgagor by these presents hereby grants, bargains, assigns, mortgages, transfers and conveys unto Mortgagee, with right of entry and possession (to the extent permitted by applicable law), the Mortgaged Property. Mortgagor hereby binds itself, and Mortgagor's successors, substitutes and assigns, to warrant and forever defend unto Mortgagee, its successors and assigns, the title to the Land and Improvements, together with all other rights of Mortgagor in and to the balance of the Mortgaged Property, subject to the Permitted Encumbrances.

2.2 Condition of Grant. Provided always, that if Mortgagor shall irrevocably, unconditionally and indefeasibly pay or cause to be paid the entire Mortgage Obligations as and when the same shall become due and payable and shall observe, perform and discharge the Mortgage Obligations, then the Loan Documents and the estate and rights granted by Mortgagor shall cease, terminate and become void, and shall be promptly released or reconveyed by Mortgagee, at the cost and expense of Mortgagor.

ARTICLE 3 SECURITY AGREEMENT AND FIXTURE FILING

3.1 Security Agreement. With respect to all Accounts, Fixtures and Personalty, General Intangibles, Inventory and other collateral constituting a part of the Mortgaged Property, this Mortgage shall constitute a "security agreement" within the meaning of, and shall create a security interest under, the UCC, and for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the purpose of further securing payment and performance of the Mortgage Obligations, Mortgagor hereby grants to Mortgagee a security interest and Lien in all rights, titles, and interests now owned or hereafter acquired by Mortgagor in all Accounts, Fixtures and Personalty, General Intangibles, Inventory and other collateral constituting a part of the Mortgaged Property. As to Accounts, Fixtures and Personalty, General Intangibles and Inventory, the grant, transfer, and assignment provisions of this Article 3 shall control over the grant in trust provision of Section 2.1 of this Mortgage. Mortgagor represents and warrants that, except for the Permitted Encumbrances and any financing statement filed by Mortgagee, no presently effective financing statement covering the Accounts, the Fixtures and Personalty, the General Intangibles and Inventory or any part thereof has been filed with any filing officer, and no other presently effective security interest has attached or has been perfected in the Accounts, the Fixtures and Personalty, the General Intangibles and Inventory or any part thereof. Mortgagor shall from time to time within

fifteen (15) days after request by Mortgagee, execute, acknowledge and deliver any financing statement, renewal, affidavit, certificate, continuation statement or other document as Mortgagee may reasonably request in order to evidence, perfect, preserve, continue, extend or maintain this security agreement and the security interest created hereby as a first Lien on the Accounts, the Fixtures and Personalty, the General Intangibles and Inventory, subject only to the Permitted Encumbrances.

3.2 Fixture Filing. This Mortgage constitutes a fixture filing under Section 9.502 of the UCC and any other applicable Uniform Commercial Code, each as amended and recodified from time to time, with respect to all fixtures. Mortgagee shall have all rights with respect to the fixtures afforded to it by the applicable Uniform Commercial Code, in addition to, but not in limitation of, the other rights afforded Mortgagee by the Loan Documents. A carbon, photographic or other reproduction of this Mortgage shall be sufficient as a financing statement. Mortgagee shall have the right at any time to file a manually executed counterpart or a carbon, photographic or other reproduction of this Mortgage as a financing statement in either the central or local UCC records of any jurisdiction wherein the Mortgaged Property is located, but the failure of Mortgagee to do so shall not impair (a) the effectiveness of this Mortgage as a fixture filing as permitted by the applicable Uniform Commercial Code, or (b) the validity and enforceability of this Mortgage in any respect whatsoever. The following information is included for purposes of meeting the requirements of a financing statement.

- (a) The name of the debtor is 550 Jackson Associates Limited Liability Company, a Delaware limited liability company.
- (b) The name of the secured party is 1Star Financial Inc., a Maryland corporation.
- (c) The address of the secured party is 1Star Financial Inc., 1114 Avenue of the Americas, New York, New York 10036, Attention: Chief Executive Officer.
- (d) The mailing address of the debtor is c/o Mark Goodman & Associates, Inc., 737 North Michigan Avenue, Suite 2350, Chicago, Illinois 60611, Attn: Mark A. Goodman.
- (e) This financing statement covers all of the debtor's fixtures (whether now owned or hereafter acquired). The fixtures include (a) goods which are or are to become fixtures on the Land described in Exhibit A, (b) minerals or the like (including oil and gas) located on the Land described in Exhibit A, and (c) all proceeds and products of the fixtures.

ARTICLE 4

ASSIGNMENT OF RENTS AND LEASES AND CONTRACTS

4.1 Assignment of Rents and Leases. All of Mortgagor's right, title and interest in and to the Rents and Leases are hereby absolutely and irrevocably assigned to Mortgagee to be applied against the Obligations. Mortgagor hereby appoints Mortgagee its true and lawful attorney-in-fact, with the right, at Mortgagee's option at any time following the occurrence and during the continuance of an Event of Default, to demand, receive and enforce payment of, to give receipts, releases and satisfactions for, and to sue, either in Mortgagor's or Mortgagee's name for, all Rents.

Notwithstanding the foregoing Assignment of Rents, so long as no Event of Default has occurred which remains uncured, Mortgagor may collect, receive, take, use and enjoy such Rents, as they become due and payable but not more than one month in advance thereof and Mortgagor may exercise all other rights set forth in the Leases (subject to any express restrictions set forth herein, in the Loan Agreement or in the other Loan Documents). The foregoing assignment shall be fully operative without any further action on the part of either party; and specifically Mortgagee shall be entitled at its option, upon the occurrence of an Event of Default hereunder and for so long as such Event of Default is continuing, to collect all Rents from the Mortgaged Property whether or not Mortgagee takes possession of the Mortgaged Property. Upon the occurrence and during the continuance of an Event of Default hereunder, the permission hereby given to Mortgagor to collect the Rents and exercise all other rights under the Leases from the Mortgaged Property shall terminate. The permission given by Mortgagee to Mortgagor shall be reinstated upon the cure of such Event of Default with Mortgagee's specific consent which shall not be unreasonably withheld. This Assignment shall not be deemed or construed to constitute Mortgagee as a mortgagee in possession nor obligate Mortgagee to take any action or to incur expense or perform or discharge any obligation, duty or liability. Exercise of any rights under this Section 4.1 and the application of the Rents to the Obligations shall not cure or waive any Event of Default but shall be cumulative of all other rights and remedies of Mortgagee.

4.2 Assignment of Material Contracts. All of Mortgagor's right, title and interest in and to the Material Contracts are hereby absolutely and irrevocably assigned to Mortgagee to be applied against the Obligations. Mortgagor hereby appoints Mortgagee its true and lawful attorney-in-fact with the right, at Mortgagee's option at any time following the occurrence and during the continuance of an Event of Default, to demand, receive and enforce performance and payment of, to give receipts, releases and satisfactions for, and to sue, either in Mortgagor's or Mortgagee's name, for all amounts due under and performance required by the Material Contracts. Notwithstanding the foregoing Assignment of Contracts, so long as no Event of Default has occurred which remains uncured, Mortgagor may collect, receive, take, use and enjoy all rights under the Material Contracts, as they become due and payable but no more than one month in advance thereof and Mortgagor may exercise all other rights set forth in the Material Contracts (subject to any express restrictions set forth herein or in the other Loan Documents). The foregoing assignment shall be fully operative without any further action on the part of either party. Mortgagor shall from time-to-time within fifteen (15) days after request by Mortgagee, execute, acknowledge and deliver any additional instruments Mortgagee may reasonably request to further evidence the assignment and transfer to Mortgagee of Mortgagor's interest in any of the Material Contracts.

4.3 Effect of Assignments. This instrument constitutes an absolute and present assignment of the rents, royalties, issues, profits, revenue, income and other benefits from the Mortgaged Property; subject, however, to the conditional permission given to Mortgagor to collect, receive, take, use and enjoy the same as provided above; provided, further, that the existence or exercise of such right of Mortgagor shall not operate to subordinate this assignment to any subsequent assignment by Mortgagor, in whole or in part, and any such subsequent assignment by Mortgagor shall be subject to the rights of Mortgagee hereunder.

4.4 No Merger of Leasehold Estates. If both the lessor's and lessee's estate under any Lease, or any portion thereof, becomes vested at any time in one owner, this Mortgage and the Lien

created hereby shall not be adversely affected by the application of the doctrine of merger unless Mortgagee so elects in writing by recording a written declaration so stating. Unless and until Mortgagee so elects, Mortgagee and any lessor and lessee shall continue to have and enjoy all of the rights and privileges to the separate estates. In addition, upon the foreclosure of the Lien created by this Mortgage on the Mortgaged Property, any Leases then existing and affecting all or any portion of the Mortgaged Property shall not be destroyed or terminated by merger or by the foreclosure unless, Mortgagee or any purchaser at the sale so elects. No act by or on behalf of Mortgagee or such purchaser shall constitute a termination of any Lease unless Mortgagee gives written notice thereof to the tenant or subtenant affected.

4.5 Right to Assign Leases. Mortgagor has the right to assign the Leases, Rents and Contracts to Mortgagee free and clear of any prior assignment, Liens, charges, encumbrances, security interests and adverse claims whatsoever except the Permitted Encumbrances. Without limiting the generality of the foregoing, Mortgagor has not executed any presently effective prior assignment of the Leases or the Contracts, or of its right, title and interest therein, or the Rents accruing under the Leases.

4.6 Assignment to Mortgagee Controlling. The rights of Mortgagee in the Leases, Rents and Material Contracts created under Article 2 shall be subject to the rights of Mortgagee in the Leases, Rents and Material Contracts created under this Article 4.

ARTICLE 5

COVENANTS AND REPRESENTATIONS AND WARRANTIES

5.1 Covenants. Until the entire Mortgage Obligations shall have been paid in full, Mortgagor hereby covenants and agrees as follows:

(a) Payment of Mortgage Obligations. Mortgagor shall promptly pay or cause to be paid the Mortgage Obligations as and when same shall be due and payable under the Note, this Mortgage and the Loan Documents.

(b) Compliance with Laws. Mortgagor shall comply with all requirements of law as set forth more fully in Section 5.9 of the Loan Agreement.

(c) Payment of Impositions. Mortgagor shall deposit at the time of each payment of an installment of interest or principal under the Note, until all of the Mortgage Obligations are paid in full, all amounts required to be deposited for the payment of all Impositions pursuant to Section 5.3 of the Loan Agreement.

(d) Maintenance, Repair and Alterations. Mortgagor shall maintain or cause the Mortgaged Property to be maintained in accordance with Section 5.5 of the Loan Agreement.

(e) Insurance. Mortgagor shall maintain the insurance required pursuant to Section 5.4 of the Loan Agreement.

(f) Restoration Following Casualty or Condemnation. Upon the occurrence of any casualty or condemnation to the Mortgaged Property, Mortgagor shall provide prompt written notice thereof to Mortgagee, and shall restore or cause the Mortgaged Property to be restored in accordance with Section 8.1 of the Loan Agreement.

(g) Performance of Agreements. Mortgagor shall duly and punctually perform all covenants and agreements expressed as binding upon it under any Leases and under any other Material Contracts to which it is a party with respect to the Mortgaged Property or any part thereof, pursuant to the terms and conditions of Sections 5.9, 5.13 and 5.15 of the Loan Agreement.

(h) Inspection. Mortgagor shall permit, and shall cause Manager to permit, Mortgagee, to inspect the Mortgaged Property in accordance with the terms and provisions of Section 5.6 of the Loan Agreement.

(i) Hold Harmless. Mortgagor shall indemnify Mortgagee in accordance with the terms and provisions of Section 11.3 of the Loan Agreement. Mortgagor acknowledges that pursuant to Section 11.3 of the Loan Agreement, Mortgagor is agreeing to indemnify Mortgagee for its ordinary negligence.

(j) Books and Records. Mortgagor shall provide to Mortgagee such financial statements and other reports as are required pursuant to Section 5.1 of the Loan Agreement.

(k) Licenses. Mortgagor shall keep or shall cause Manager to keep in full force and effect all licenses, permits and other governmental approvals which are necessary for the operation of the Mortgaged Property in accordance with Section 5.9 of the Loan Agreement.

(l) Other Financing. Mortgagor shall not, without the prior written consent of Mortgagee, such consent to be made in Mortgagee's sole discretion, incur any additional indebtedness or create or permit to be created or to remain, any mortgage, pledge, Lien, encumbrance or charge on, or conditional sale or other title retention agreement with respect to, the Mortgaged Property or any part thereof or income therefrom except as expressly permitted under the Loan Agreement.

(m) Mechanic's Liens. Mortgagor shall not permit or suffer any mechanic's, materialmen's or other Lien to be created or to remain a Lien upon any of the Mortgaged Property; provided however, Mortgagor shall have the right to contest any such Lien prior to payment in accordance with Section 5.3 and 7.2 of the Loan Agreement.

(n) Hazardous Material. Mortgagor shall keep and maintain the Mortgaged Property in accordance with all applicable Environmental Laws and shall indemnify, defend and hold the Indemnitees harmless from and against any and all Environmental Claims, violations of Environmental Laws and related matters, pursuant to the terms and provisions of Section 5.7 of the Loan Agreement.

(o) Management. Mortgagor shall provide for competent and responsible management of the Mortgaged Property in accordance with the terms and provisions of Section 5.11 of the Loan Agreement.

(p) Use of Mortgaged Property. Mortgagor shall not use the Mortgaged Property or any part thereof, or allow the same to be used or occupied, for any purpose other than for the purposes of an office project and related amenities, or for any unlawful purpose, or in violation of any certificate of occupancy or other permit or certificate, or any law, ordinance or regulation, covering or affecting the use or occupancy thereof in accordance with Section 7.8 of the Loan Agreement.

(q) Use of Mortgagee's Name. Mortgagor shall not use the names either of Mortgagee or any of Mortgagee's subsidiaries or Affiliates in connection with the development and operation of the Mortgaged Property except in accordance with Section 7.9 of the Loan Agreement.

(r) Title to Mortgaged Property. Mortgagor shall at all times maintain good and indefeasible title in fee simple title to the Land and good and indefeasible title to the Buildings, the Accounts, the Fixtures and Personalty, the General Intangibles and the Inventory free and clear of any encumbrances other than the Permitted Encumbrances and in accordance with Sections 7.10 and 7.13 of the Loan Agreement.

(s) Due on Sale. Mortgagor acknowledges that, in making the Loan, Mortgagee has relied to a material extent upon the particular business reputation, expertise, creditworthiness, and individual net worth of Mortgagor and of the persons, partnerships, trusts, corporations or other entities who have a direct or indirect interest in Mortgagor and upon the continuing interest which such persons, partnerships, trusts, corporations or other entities, as owners of direct or indirect interests in Mortgagor, shall have in the Mortgaged Property. Accordingly, Mortgagor covenants and agrees that Mortgagor shall at all times comply with the provisions of Section 7.13 of the Loan Agreement

(t) Single Asset, Bankruptcy Remote Entities. Mortgagor shall comply with the terms and provisions of Section 7.16 of the Loan Agreement.

In the event of any conflict between the provisions of this Mortgage and the provisions set forth in the Loan Agreement, the Loan Agreement shall control.

5.2 Representations and Warranties of Mortgagor. Mortgagor hereby adopts, remakes and ratifies each and every one of the representations and warranties set forth in Section 4 of the Loan Agreement as if such representations and warranties were more fully set forth herein.

ARTICLE 6 EVENTS OF DEFAULT

The term "Event(s) of Default" shall mean the occurrence or happening, from time to time, of any one or more of the events set forth in Section 9.1 of the Loan Agreement.

ARTICLE 7 FORECLOSURE AND REMEDIES

7.1. Remedies. If an Event of Default shall occur which continues beyond any applicable grace or cure period, Mortgagee may, at its option, exercise one or more or all of the following remedies, all to the fullest extent permitted by applicable law:

(a) Acceleration. Declare the unpaid portion of the Mortgage Obligations to be immediately due and payable, without further notice or demand (each of which hereby is expressly waived by Mortgagor), whereupon the same shall become immediately due and payable.

(b) Entry Upon Mortgaged Property. Enter upon the Mortgaged Property and take possession thereof and of all books, records and accounts relating thereto.

(c) Operation of Mortgaged Property. Hold, lease, operate or otherwise use or permit the use of the Mortgaged Property, or any portion thereof, in such manner, for such time and upon such terms as Mortgagee may deem to be in its best interest (making such repairs, alterations, additions and improvements thereto, from time to time, as Mortgagee shall deem necessary or desirable) and collect and retain all earnings, rents, profits or other amounts payable in connection therewith.

(d) Judicial Proceedings. Institute proceedings for the complete or partial foreclosure of this Mortgage or take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Note or in this Mortgage (without being required to foreclose this Mortgage), or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as Mortgagee shall elect.

(e) Sale of Mortgaged Property. Cause the Mortgaged Property and all estate, right, title and interest, claim and demand therein, or any part thereof to be sold as follows:

(i) Mortgagee may proceed as if all of the Mortgaged Property were real property, in accordance with subparagraph (iv) below, or Mortgagee may elect to treat any of the Mortgaged Property which consists of a right in action or which is property that can be severed from the premises without causing structural damage thereto as if the same were personal property, and dispose of the same in accordance with subparagraph (iii) below, separate and apart from the sale of real property, with the remainder of the Mortgaged Property being treated as real property at the sale.

(ii) Subject to subsection (iv) below, Mortgagee may cause any such sale or other disposition to be conducted immediately following the expiration of any grace period, if any, herein provided (or required by law) or Mortgagee may delay any such sale or other disposition for such period of time as Mortgagee deems to be in its best interest. Should Mortgagee desire that more than one sale or other disposition be conducted, Mortgagee may, at its option, cause the same to be

conducted simultaneously, or successively on the same day, or at such different days or times and in such order as Mortgagee may deem to be in its best interest.

(iii) Should Mortgagee elect to cause any of the Mortgaged Property to be disposed of as personal property as permitted by subparagraph (i) above, it may dispose of any part thereof in any manner now or hereafter permitted by Article 9 of the UCC or in accordance with any other remedy provided by law. Both Mortgagor and Mortgagee shall be eligible to purchase any part of all of such property at any such disposition. Any such disposition may be either public or private as Mortgagee may so elect, subject to the provisions of the UCC, Mortgagee shall give Mortgagor at least five (5) days prior written notice of the time and place of any public sale or other disposition of such property or of the time at or after which any private sale or any other intended disposition is to be made, and if such notice is sent to Mortgagor it shall constitute reasonable notice to Mortgagor.

(iv) Should Mortgagee elect to sell the Mortgaged Property which is real property or which Mortgagee has elected to treat as real property, upon such election Mortgagee shall give such notice of default as may then be required by law. Thereafter, upon the expiration of such time and the giving of such notice of sale as may then be required by law, Mortgagee, at the time and place specified in the notice of sale, shall sell such Mortgaged Property, or any portion thereof specified by Mortgagee, at public auction to the highest bidder for cash in lawful money of the United States. Mortgagee, for good cause may, from time to time, postpone the sale by public announcement thereof at the time and place noticed therefor. If the Mortgaged Property consists of several lots or parcels, Mortgagee may designate the order in which such lots or parcels may be offered for sale or sold, and may direct that such property be sold in one parcel, as an entirety, or in such parcels as Mortgagee, in its sole discretion, may elect. Mortgagor expressly waives any right which it may have to direct the order in which any of the Mortgaged Property shall be sold, and its rights, if any, to require that the Mortgaged Property be sold as separate tracts, lots, units or parcels. Any person, including Mortgagor, Mortgagee or Mortgagee, may purchase at the sale. Upon any sale, Mortgagee shall execute and deliver to the purchaser or purchasers a deed or deeds conveying the property so sold, but without any covenant or warranty whatsoever, express or implied, whereupon such purchaser or purchasers shall be let into immediate possession.

(v) Upon any sale of the Mortgaged Property, whether made under a power of sale herein granted or pursuant to judicial proceedings, if the holder of the Note is a purchaser at such sale, it shall be entitled to use and apply all or any portion of the indebtedness then secured hereby for or in settlement or payment of all or any portion of the purchase price of the property purchased.

(vi) In the event of a sale or other disposition of any such Mortgaged Property or any part thereof, and the execution of a deed or other conveyance pursuant thereto, the recitals in the deed or deeds of facts (such as of a default, the giving of notice of default and notice of sale, demand that such sale should be made, postponement of sale, terms of sale, sale, purchaser, payment of purchase money, and any other fact affecting the regularity or validity of such sale or disposition) shall be conclusive proof of the truth of such facts; and any such deed or conveyance shall be conclusive against all persons as to such facts recited therein.

(f) Receiver. Mortgagee shall be entitled, as a matter of strict right, without notice and ex parte except as otherwise required by applicable law, and without regard to the value or occupancy of the security, or the solvency of the Mortgagor, or the adequacy of the Mortgaged Property as security for the Note, to itself enter upon and take possession of the Mortgaged Property, collect the Rents and profits therefrom and apply the same as the court may direct, or, at its option, Mortgagee may have a receiver appointed to do the same, such receiver to have all the rights and powers permitted under the laws of the jurisdiction in which the Mortgaged Property is located. Mortgagor hereby waives any requirements on the receiver or Mortgagee to post any surety or other bond. Mortgagee or the receiver may also take possession of, and for these purposes use, any and all Fixtures and Personalty which is a part of the Mortgaged Property and used by Mortgagor in the rental or leasing thereof, or any part thereof. The expense, (including reasonable receiver's fees, counsel fees, costs and agent's compensation) incurred pursuant to the powers herein contained shall be secured by this Mortgage. Mortgagee shall (after payment of all costs and expenses incurred) apply such Rents, issues and profits received by it on the Mortgage Obligations in the order set forth in Section 7.7 hereof. The right to enter and take possession of the Mortgaged Property, to manage and operate the same, and to collect the Rents, issues and profits thereof, whether by receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. Mortgagee shall be liable to account only for such Rents, issues and profits actually received by Mortgagee.

(g) Additional Rights and Remedies. With or without notice, and without releasing Mortgagor from the Mortgage Obligations, and without becoming a mortgagee in possession, Mortgagee shall have the right to cure any breach or default of Mortgagor and, in connection therewith, to enter upon the Mortgaged Property and to do such acts and things as Mortgagee may deem necessary or desirable to protect the security hereof including, but without limitation, to appear in and defend any action or proceedings purporting to affect the security hereof or the rights or powers of Mortgagee hereunder; to pay, purchase, contest or compromise any encumbrance, charge, Lien or claim of Lien which, in the judgment of Mortgagee, is prior or superior hereto, the judgment of Mortgagee being conclusive as between the parties hereto to obtain insurance; to pay any premiums or charges with respect to insurance required to be carried hereunder, and to employ counsel, accountants, contractors and other appropriate persons to assist them.

(h) Mortgagee as Purchaser. Mortgagee shall have the right to become the purchaser at any sale held by any court, receiver or public officer, and Mortgagee shall have the right to credit upon the amount of the bid made therefor, the amount of indebtedness payable to it out of the net proceeds of such sale. Mortgagee upon any such purchase, shall acquire good title to the Mortgaged Property so purchased, free from the Lien of this Mortgage and free of all rights of redemption, if any, in Mortgagor. Recitals contained in any conveyance made to any purchaser at any sale made hereunder shall presumptively establish the truth and accuracy of the matters therein stated, including, without limiting the generality of the foregoing nonpayment of the unpaid principal sum of, and the interest accrued on, the Note after the same have become due and payable.

(i) Receipt to Purchaser. Upon any sale, whether made under the power of sale herein granted and conferred or by virtue of judicial proceedings, the receipt of the Mortgagee, or of the officer making sale under judicial proceedings shall be sufficient discharge to the purchaser

or purchasers at any sale for his or their purchase money, and such purchaser or purchasers, his or their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of the Mortgagee or of such officer therefor, be obliged to see to the application of such purchase money, or be in anywise answerable for any loss, misapplication or nonapplication thereof.

(j) Effect of Sale. Any sale or sales of the Mortgaged Property, whether under the power of sale herein granted and conferred or by virtue of judicial proceedings conducted in accordance with applicable law, shall operate to divest all right, title, interest, claim, and demand whatsoever either at law or in equity, of Mortgagor of in, and to the premises and the property sold, and shall be a perpetual bar, both at law and in equity, against Mortgagor, Mortgagor's successors, and against any and all persons claiming or who shall thereafter claim all or any of the property sold from, through or under Mortgagor, or Mortgagor's successors or assigns; nevertheless, Mortgagor, if requested by Mortgagee so to do, shall join in the execution and delivery of all proper conveyances, assignments and transfers of the properties so sold.

(k) Remedies Under UCC. Upon the occurrence and during the continuance of an Event of Default, Mortgagee may exercise its rights of enforcement, if they can be exercised without a breach of the peace, with respect to the Accounts, the Fixtures and Personalty, the General Intangibles and the Inventory under the applicable provisions of the UCC, and/or under other applicable Illinois law, and in conjunction with, in addition to or in substitution for those rights and remedies:

(1) Mortgagee may enter upon Mortgagor's premises to take possession of, assemble and collect the Accounts, the Fixtures and Personalty, the General Intangibles, the Inventory and any and all books related to the Mortgaged Property; and

(2) Mortgagee may require Mortgagor to assemble the Accounts, the Fixtures and Personalty, the General Intangibles and the Inventory and make same available at a place Mortgagee designates which is mutually convenient to allow Mortgagee to take possession or dispose of the Accounts, the Fixtures and Personalty, the General Intangibles and the Inventory; and

(3) Written notice mailed to Mortgagor as provided herein at least ten (10) days prior to the date of public sale of the Accounts, the Fixtures and Personalty, the General Intangibles and the Inventory or prior to the date after which private sale of the Accounts, the Fixtures and Personalty, the General Intangibles and the Inventory shall be made shall constitute reasonable notice; and

(4) Any sale made pursuant to the provisions of this Subsection shall be deemed to have been a public sale conducted in a commercially reasonable manner if held contemporaneously with and upon the same notice as required for the sale of the Mortgaged Property under power of sale as provided in Subsection 7.1(e) of this Mortgage; and

(5) In the event of a foreclosure sale, whether made by the Mortgagee under the terms hereof, or under judgment of a court, the Mortgaged Property may, at the option of Mortgagee, be sold as a whole; and

(6) It shall not be necessary that Mortgagee take possession of the Accounts, the Fixtures and Personalty, the General Intangibles, the Inventory or any part thereof prior to the time that any sale pursuant to the provisions of this section is conducted and it shall not be necessary that the Accounts, the Fixtures and Personalty, the General Intangibles, the Inventory or any part thereof be present at the location of such sale; and

(7) Prior to application of proceeds of disposition of the Accounts, the Fixtures and Personalty, the General Intangibles or the Inventory to the Mortgage Obligations, such proceeds shall be applied to the reasonable expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like and the reasonable attorneys' fees and legal expenses incurred by Mortgagee; and

(8) Any and all statements of fact or other recitals made in any bill of sale or assignment or other instrument evidencing any foreclosure sale hereunder as to nonpayment of the Mortgage Obligations or as to the occurrence of any Event of Default, or to Mortgagee have declared all of such Mortgage Obligations to be due and payable, or as to notice of time, place and terms of sale and of the Mortgaged Property to be sold having been duly done by Mortgagee, shall be taken as prima facie evidence of the truth of the facts so stated and recited; and

(9) Mortgagee may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Mortgagee, including the sending of notices and the conduct of the sale but in the name and on behalf of Mortgagee; and

(10) (i) Notwithstanding anything to the contrary herein or elsewhere in the Loan Documents, but subject to clause (ii) below, prior to foreclosure of the portion of the Mortgaged Property which is real property (the "Real Property"), Mortgagee shall not sell or dispose of any Accounts, Fixtures and Personalty, the General Intangibles and the Inventory or cause any such Accounts, Fixtures and Personalty, General Intangibles or Inventory to be sold or disposed of; and (ii) if a reinstatement shall occur with respect to this Mortgage or if a pre-foreclosure redemption shall occur by payment of all outstanding indebtedness and any other amounts owed to Mortgagee under the Loan Documents, then to the extent that Mortgagee shall have taken possession of any portion of the Mortgaged Property or caused such possession to be taken by a receiver or agent, Mortgagee shall cause such portion of the Mortgaged Property to be returned to Mortgagor. Nothing contained in this Subsection shall (i) require Mortgagee to return any money to Mortgagor which shall have been applied to any of the Mortgage Obligations or to the preservation or operation of the Mortgaged Property; or (ii) impair Mortgagee's rights with respect to the Loan Account Collateral and the Rents as otherwise provided in this Mortgage.

(1) Entry on and Operation of Property by Mortgagee. Upon the occurrence and during the continuance of an Event of Default and in addition to all other rights herein conferred on the Mortgagee, the Mortgagee (or any person, firm or corporation designated by the Mortgagee) shall have the right and power, but shall not be obligated to enter upon and take possession of any of the Mortgaged Property, and of all books, records, and accounts relating thereto and to exclude Mortgagor, and Mortgagor's agents or servants, wholly therefrom, and to hold, lease, operate, use, administer, manage, and operate the same to the extent that Mortgagor shall be at the time entitled and in his place and stead for such time, and upon such terms as Mortgagee may deem to be in its

best interest (making such repairs, alterations, additions, and improvements thereto, from time to time, as Mortgagee shall deem necessary or desirable) and collect and retain all earnings, rents, profits, or other amounts payable in connection therewith. The Mortgagee, or any person, firm or corporation designated by the Mortgagee may operate the same without any liability to Mortgagor in connection with such operations, except to use ordinary care in the operation of said properties, and the Mortgagee or any person, firm or corporation designated by them, shall have the right to collect receive and receipt for all Rents from the Mortgaged Property, to make repairs, purchase machinery and equipment, and to exercise every power, right and privilege of Mortgagor with respect to the Mortgaged Property. All costs, expenses and liabilities of every character incurred by the Mortgagee in managing, operating, maintaining, protecting or preserving the Mortgaged Property, respectively, shall constitute a demand obligation owing by Mortgagor to Mortgagee and shall bear interest from date of expenditure until paid at the same rate as is provided in the Note for interest on past due principal, all of which shall constitute a portion of the Mortgage Obligations and shall be secured by this Mortgage and by any other instrument securing the Mortgage Obligations. If necessary to obtain the possession provided for above, the Mortgagee, as the case may be, may invoke any and all remedies to dispossess Mortgagor including specifically one or more actions for forcible entry and detainer, trespass to try title and restitution. When and if the expenses of such operation have been paid and the Mortgage Obligations paid, the Mortgaged Property shall, if there has been no sale or foreclosure, be returned to Mortgagor.

(m) Change in Laws. If any statute now applicable in any state in which any of the Mortgaged Property is now located provides, or shall hereafter be amended to provide, a different procedure for the sale of real property under a power of sale in a Mortgage or mortgage, Mortgagee may, in its sole discretion, if same be permitted by applicable law, follow the sale procedure set forth in this Article 7 or that prescribed in such statute, as amended.

(n) Other. Exercise any other remedy specifically granted under the Loan Documents, or now or hereafter existing in equity, at law, by virtue of statute or otherwise, including the rights described below.

7.2 Separate Sales. Any real estate or any interest or estate therein sold pursuant to any writ of execution issued on a judgment obtained by virtue of the Note, this Mortgage or the other Loan Documents, or pursuant to any other judicial proceedings under this Mortgage, or pursuant to the power of sale granted herein, may be sold in one parcel, as an entirety or in such parcels and in such manner or order as Mortgagee, in its sole discretion, may elect.

7.3 Remedies Cumulative and Concurrent. The rights and remedies of Mortgagee as provided in the Note, this Mortgage and in the Loan Documents shall be cumulative and concurrent and may be pursued separately, successively or together against Mortgagor or against other obligors or against the Mortgaged Property, or any one or more of them, at the sole discretion of Mortgagee, and may be exercised as often as occasion therefor shall arise. The failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof, nor shall the choice of one remedy be deemed an election of remedies to the exclusion of other remedies.

7.4 No Cure or Waiver. Neither Mortgagee's nor any receiver's entry upon and taking possession of all or any part of the Mortgaged Property nor any collection of rents, issues, profits,

insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Mortgage Obligations, nor the exercise of any other right or remedy by Mortgagee or any receiver shall impair the status of the security, or cure or waive any default or notice of default under this Mortgage, or nullify the effect of any notice of default or sale (unless all Mortgage Obligations which are then due have been paid and performed and Mortgagor has cured all other defaults), or prejudice Mortgagee in the exercise of any right or remedy, or be construed as an affirmation by Mortgagee of any tenancy, lease or option or a subordination of the Lien of this Mortgage.

7.5 Payment of Costs, Expenses and Attorneys' Fees. Mortgagor agrees to pay to Mortgagee immediately and without demand all reasonable costs and expenses incurred by Mortgagee in accordance with Section 11.1 of the Loan Agreement.

7.6 Waiver of Redemption, Notice, Marshalling, Etc. To the extent permitted by applicable law, Mortgagor hereby waives and releases: (a) all benefit that might accrue to Mortgagor by virtue of any present or future law exempting the Mortgaged Property, or any part of the proceeds arising from any sale thereof, from attachment, levy or sale on execution, or providing for any redemption or extension of time for payment; (b) unless specifically required herein or in the other Loan Documents, all notices of Mortgagor's default or of Mortgagee's election to exercise, or Mortgagee's actual exercise, of any option or remedy under the Note or the Loan Documents; (c) any right to have the Liens against the Mortgaged Property or any other collateral in which Mortgagee holds an interest as security for the Mortgage Obligations marshaled; and (d) the right to plead or assert any statute of limitations as a defense or bar to the enforcement of the Note or the Loan Documents.

7.7 Application of Proceeds. The proceeds of any sale of all or any portion of the Mortgaged Property and the amounts generated by any holding, leasing, operation or other use of the Mortgaged Property shall be applied by Mortgagee in the following order:

- (a) first, to the payment of late charges, if any, owing under the Note or the Loan Documents;
- (b) second, to the payment of the costs and expenses of taking possession of the Mortgaged Property and of holding, using, leasing, repairing, improving and selling the same (including without limitation payment of any impositions or other taxes);
- (c) third, to the extent allowed by law, to the payment of reasonable attorneys' fees and other legal expenses, including expenses and fees incurred on appeals, and legal expenses and fees of a receiver;
- (d) fourth, to the payment of accrued and unpaid interest on the Mortgage Obligations; and
- (e) fifth, to the payment of the balance of the Mortgage Obligations. The balance, if any, shall be paid to the parties entitled to receive it under applicable law.

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7.8 Strict Performance. Any failure by Mortgagee to insist upon strict performance by Mortgagor of any of the terms and provisions of the Loan Documents or of the Note shall not be deemed to be a waiver of any of the terms or provisions of the Loan Documents or the Note and Mortgagee shall have the right thereafter to insist upon strict performance by Mortgagor of any and all of them.

7.9 No Conditions Precedent to Exercise of Remedies. Neither Mortgagor nor any other person now or hereafter obligated for payment of all or any part of the Mortgage Obligations shall be relieved of such obligation by reason of the failure of Mortgagee to comply with any request of Mortgagor or of any other person so obligated to take action to foreclose on this Mortgage or otherwise enforce any provisions of the Loan Documents or the Note, or by reason of the release, regardless of consideration, of all or any part of the security held for the indebtedness, or by reason of any agreement or stipulation between any subsequent owner of the Mortgaged Property and Mortgagee extending the time of payment or modifying the terms of the Loan Documents or Note (except to the extent that such modification (i) increases the principal amount of Mortgagor's Mortgage Obligations or the Interest Rate, (ii) reduces the term of the Loan, or (iii) otherwise makes the terms and provisions of the Loan Documents less favorable to Mortgagor) without first having obtained the consent of Mortgagor or such other person, and in the latter event Mortgagor and all such other persons shall continue to be liable to make payment according to the terms of any such extension or modification agreement (except to the extent such modification (i) increases the principal amount of Mortgagor's Mortgage Obligations or the Interest Rate, (ii) reduces the term of the Loan Documents, or (iii) otherwise makes the terms and provisions of the Loan Documents less favorable to Mortgagor), unless expressly released and discharged in writing by Mortgagee.

7.10 Release of Collateral. Mortgagee may release, regardless of consideration, any part of the security held for the Mortgage Obligations without, as to the remainder of the security, in any way impairing or affecting the Liens of the Loan Documents or their priority over any subordinate Lien. Without affecting the liability of Mortgagor or any other person (except any person expressly released in writing) for payment of any Mortgage Obligations secured hereby or for performance of any Mortgage Obligations contained herein, and without affecting the rights of Mortgagee with respect to any security not expressly released in writing, Mortgagee may, at any time and from time to time, either before or after maturity of said Note, and without notice or consent: (a) release any person liable for payment of all or any part of, or for performance of, any Mortgage Obligations; (b) make any agreement extending the time or otherwise altering terms of payment of all or any part of, or modifying or waiving any of, the Mortgage Obligations, or subordinating, modifying or otherwise dealing with the Lien or charge hereof; (c) exercise or refrain from exercising or waive any right Mortgagee may have; (d) accept additional security of any kind; or (e) release or otherwise deal with any property, real or personal, securing the Mortgage Obligations, including all or any part of the Mortgaged Property.

7.11 Other Collateral. For payment of the Mortgage Obligations, Mortgagee may resort to any other security therefor held by Mortgagee in such order and manner as Mortgagee may elect.

7.12 Discontinuance of Proceedings. In the event Mortgagee shall have proceeded to enforce any right under the Note or the Loan Documents and such proceedings shall have been discontinued or abandoned for any reason, then in every such case, Mortgagor and Mortgagee shall

be restored to their former positions and the rights, remedies and powers of Mortgagee shall continue as if no such proceedings had been taken.

7.13 Release of Liability. Without affecting the liability of any person (other than any person released pursuant to the provisions of this section) for payment of any of the Mortgage Obligations secured hereby, and without affecting or impairing in any way the priority or extent of the Liens of the Loan Documents upon any property not specifically released pursuant hereto, Mortgagee may at any time and from time to time (a) release any person liable for payment of any of the Mortgage Obligations secured hereby, (b) extend the time or agree to alter the terms of payment of any of the Mortgage Obligations, (c) accept additional security of any kind, (d) release any property securing the Mortgage Obligations, or (e) consent to the creation of any easement on or over the Mortgaged Property or any covenants restricting the use or occupancy thereof.

7.14 Retention of Copies of Books and Records. Without limiting any of Mortgagee's rights and remedies at law or in equity, including under this Mortgage, in the event Mortgagee elects to foreclose or otherwise realize upon its security interest in the General Intangibles, nothing herein shall be deemed to prohibit Mortgagor from retaining copies of its books and records (including computer-readable copies thereof), provided that the originals thereof are delivered to Mortgagee or the purchaser of such General Intangibles at a foreclosure sale, as applicable.

7.15 Illinois Mortgage Foreclosure Law. It is the express intention of the Mortgagor and Mortgagee that the rights, remedies, powers and authorities conferred upon the Mortgagee pursuant to this Mortgage shall include all rights, remedies, powers and authorities that a mortgagor may confer upon a Mortgagee under the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-1101 et seq.) (herein called the "IMFL") and/or as otherwise permitted by applicable law, as if they were expressly provided for herein. In the event that any provision in this Mortgage shall be inconsistent with any provision in the IMFL, the provisions of the IMFL shall take precedent over the 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 the IMFL.

(a) Without limiting the generality of the foregoing, all expenses incurred by Mortgagee to the extent reimbursable under Sections 15-1510 and 15-1512 of the IMFL, whether incurred before or after any decree or judgment of foreclosure, and whether provided for in this Mortgage, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

(b) The powers, authorities and duties conferred upon the Mortgagee, in the event that the Mortgagee takes possession of the Mortgaged Property, and upon a receiver hereunder, shall also include all such powers, authority and duties as may be conferred upon a Mortgagee in possession or receiver under and pursuant to the IMFL. To the extent the IMFL may limit the powers, authorities and duties purportedly conferred hereby, such power, authorities and duties shall include those allowed, and be limited as proscribed by IMFL at the time of their exercise or discharge.

(c) The Mortgagor knowingly and voluntarily waives, on behalf of itself and all persons or entities now or hereafter interested in the Mortgaged Property, to the fullest extent

permitted by applicable law including IMFL, (i) all rights under all appraisal, homestead, moratorium, valuation, exemption, stay, extension, redemption, single action, election of remedies and marshaling statutes, laws or equities now or hereafter existing, (ii) any and all requirements that at any time any action may be taken against any other person or entity and the Mortgagor agrees that no defense based on any thereof will be asserted in any action enforcing this Mortgage, and (iii) any and all rights to reinstatement and redemption as allowed under Section 15-1601(b) of the IMFL or to cure any defaults, except such rights of reinstatement and cure as may be expressly provided by the terms of the Note, this Mortgage and the Loan Documents.

(D) THE MORTGAGOR HEREBY KNOWINGLY AND VOLUNTARILY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHTS OF REDEMPTION FROM SALE OR OTHERWISE UNDER ANY ORDER OR DECREE OF FORECLOSURE DISCLAIMS ANY STATUS WHICH IT MAY HAVE AS AN "OWNER OF REDEMPTION" AS THAT TERM MAY BE DEFINED IN SECTION 15-1212 OF THE IMFL, PURSUANT TO RIGHTS HEREIN GRANTED, ON BEHALF OF THE MORTGAGOR AND ALL PERSONS BENEFICIALLY INTERESTED THEREIN, AND EACH AND EVERY PERSON ACQUIRING ANY INTEREST IN, OR TITLE TO, THE MORTGAGED PROPERTY SUBSEQUENT TO THE DATE OF THIS MORTGAGE, AND ON BEHALF OF ALL OTHER PERSONS TO THE FULLEST EXTENT PERMITTED BY THE PROVISIONS OF THE ILLINOIS STATUTES.

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8.1 Further Assurances. Mortgagor, upon the reasonable written request of Mortgagee, shall execute, acknowledge and deliver, or, with respect to persons or entities within Mortgagor's control, arrange for the execution, acknowledgment and delivery of, such further reasonable instruments (including, without limitation, financing statements, estoppel certificates and declarations of no set-off, attornment agreements and acknowledgments of the Assignment) and do such further acts as may be reasonably necessary, desirable or proper to carry out more effectively the purpose of the Loan Documents, to facilitate the assignment or transfer of the Note and the Loan Documents and to subject to the Liens of the Loan Documents any property intended by the terms thereof to be covered thereby, and any renewals, additions, substitutions, replacements or betterments thereto. Upon any failure of Mortgagor to execute and deliver such instruments, certificates and other documents on or before fifteen (15) Business Days after receipt of written request therefor, Mortgagee may make, execute and record any and all such instruments, and certificates and Mortgagor irrevocably appoints Mortgagee the agent and attorney-in-fact of Mortgagor to do so.

8.2 Recording and Filing. Mortgagor, at its expense, shall cause the Loan Documents, all supplements thereto and any financing statements at all times to be recorded and filed and re-recorded and re-filed in such manner and in such places as Mortgagee shall reasonably request, and shall pay all such recording, filing, re-recording and re-filing taxes, fees and other charges.

8.3 Notice. All notices, demands, requests and other communications required under the Loan Documents and the Note shall be in writing and shall be delivered in accordance with Section 11.6 of the Loan Agreement.

8.4 Mortgagee's Right to Perform the Mortgage Obligations. If Mortgagor shall fail to make any payment or perform any act required by the Note or the Loan Documents, then Mortgagee may make such payment or perform such act for the account of and at the expense of Mortgagor, and shall have the right to enter the Mortgaged Property for such purpose and to take all such action thereon and with respect to the Mortgaged Property as may be necessary or appropriate for such purpose in accordance with Section 11.24 of the Loan Agreement. All sums so paid by Mortgagee, and all costs, and expenses, including, without limitation, reasonable attorneys' fees and expenses so incurred together with, interest thereon at the Default Rate, from the date of payment or incurring, constitute additions to the Mortgage Obligations secured by the Loan Documents, and shall be paid by Mortgagor to Mortgagee, on demand. If Mortgagee shall elect to so pay any Imposition, Mortgagee may do so in reliance on any bill, statement or assessment procured from the appropriate public office, without inquiring into the accuracy thereof or into the validity of such Imposition. Mortgagor shall indemnify Mortgagee for all losses and expenses, including reasonable attorneys' fees, incurred by reason of any acts performed by Mortgagee pursuant to the provisions of this Section 8.4 or by reason of the Loan Documents, and any funds expended by Mortgagee to which it shall be entitled to be indemnified, together with interest thereon at the Default Rate from the date of such expenditures, shall constitute additions to the Mortgage Obligations and shall be secured by the Loan Documents and shall be paid by Mortgagor to Mortgagee upon demand.

8.5 Covenants Running with the Land. All covenants contained in the Loan Documents shall run with the Mortgaged Property until the Liens and security interest created hereby are released by Mortgagee.

8.6 Severability. In case any one or more of the Mortgage Obligations shall be invalid, illegal or unenforceable in any respect, the validity of the Note, this Mortgage and the Loan Documents, and remaining Mortgage Obligations shall be in no way affected, prejudiced or disturbed thereby.

8.7 Modification. The Loan Documents and the terms of each of them may not be changed, waived, discharged or terminated orally, but only by an instrument or instruments in writing signed by the party against which enforcement of the change, waiver, discharge or termination is asserted.

8.8 Non-Assumable. The Loan evidenced by the Note and secured by this Mortgage is personal to Mortgagor, and Mortgagee made such Loan to Mortgagor, based upon the credit of Mortgagor, and Mortgagee's judgment of the ability of Mortgagor to repay the entire Mortgage Obligations and therefore this Mortgage may not be assumed by any subsequent holder of an interest in the Mortgaged Property without Mortgagee's prior written consent.

8.9 Tax on Mortgage Obligations or Mortgage. In the event of the passage, after the date of this Mortgage, of any law deducting from the value of land for the purposes of taxation, any Lien thereon, or imposing upon Mortgagee the obligation to pay the whole, or any part, of the taxes or

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assessments or charges or Liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of deeds of trust, mortgages or debts as to affect this Mortgage or the Mortgage Obligations, Mortgagor shall pay Mortgagee any such additional amounts necessary to compensate Mortgagee, on an after-tax basis, for such additional costs in accordance with the terms and provisions of Section 2.6 of the Loan Agreement.

8.10 Maximum Rate of Interest. All agreements between Mortgagor and Mortgagee, whether now existing or hereafter arising and whether written or oral, are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of the maturity of the Note or otherwise, shall the amount paid, or agreed to be paid to Mortgagee for the use, forbearance, or detention of the money to be loaned under the Note or otherwise or for the payment or performance of any covenant or obligation contained herein or in the Note, exceed the Maximum Rate. The term "Maximum Rate" as used herein shall mean the higher of the maximum interest rate allowed by applicable United States or New York law as amended from time to time, in effect on the date for which a determination of interest accrued hereunder is made. If from any circumstances whatsoever fulfillment of any provision hereof or of any such other documents, at the time performance of such provisions shall be due, shall involve transcending the limit of validity prescribed by applicable usury law, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any such circumstance, Mortgagee shall have ever received interest or anything which might be deemed interest under applicable law which would exceed the Maximum Rate, such amount which would be excessive interest shall be applied to the reduction of the principal amount owing on account of the Note or the amounts owing on other obligations of Mortgagor to Mortgagee hereunder (all without payment of any prepayment premium) and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of the principal of the Note and the amounts owing on other obligations of Mortgagor to Mortgagee hereunder as the case may be such excess shall be refunded to Mortgagor. All sums paid or agreed to be paid to Mortgagee for the use, forbearance or detention of the Mortgage Obligations of Mortgagor to Mortgagee shall, to the extent permitted by applicable law, (i) be amortized, prorated, allocated and spread throughout the full term of such Mortgage Obligations until payment in full so that the actual rate of interest on account of such Mortgage Obligations does not exceed the Maximum Rate throughout the term thereof, (ii) be characterized as a fee, expense or other charge other than interest, and/or (iii) exclude any voluntary prepayments and the effects thereof.

8.11 Survival of Warranties and Covenants. The warranties, representations, covenants and agreements set forth in the Loan Documents shall survive the making of the loan and the execution and delivery of the Note, and shall continue in full force and effect until the Mortgage Obligations shall have been paid in full, except such obligations as specified in Sections 4.15, 5.7, 5.8 and 11.3 of the Loan Agreement which shall survive.

8.12 APPLICABLE LAW. PURSUANT TO SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, MORTGAGOR AGREES THAT THIS MORTGAGE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK EXCEPT TO THE EXTENT ANY SUCH LAWS MAY NOW OR HEREAFTER BE PREEMPTED BY FEDERAL LAW, IN WHICH CASE SUCH FEDERAL LAW SHALL SO GOVERN AND BE CONTROLLING; PROVIDED, HOWEVER, THAT THE LAWS OF THE STATE OF ILLINOIS SHALL GOVERN AS THE CREATION,

PERFECTION, PRIORITY AND ENFORCEMENT OF LIENS AND SECURITY INTERESTS IN PROPERTY AND THE INTANGIBLES LOCATED IN SUCH STATE IT BEING UNDERSTOOD, HOWEVER, THAT TO THE FULLEST EXTENT PERMITTED BY THE LAWS OF THE STATE OF ILLINOIS, THE LAW OF THE STATE OF NEW YORK SHALL GOVERN THE VALIDITY AND ENFORCEABILITY OF ALL THE LOAN DOCUMENTS AND THE MORTGAGE OBLIGATIONS ARISING HEREUNDER OR THEREUNDER.

8.13 Loan Expenses. Mortgagor shall pay all costs and expenses in connection with the preparation, execution and delivery of the Note and the Loan Documents and the origination of the transactions contemplated thereby and any and all expenses associated with any future amendment and modifications to the Loan requested by Mortgagor in accordance with Section 11.1 of the Loan Agreement.

8.14 No Representations by Mortgagee. By accepting or approving anything required to be observed, performed or fulfilled or to be given to Mortgagee, pursuant to the Loan Documents, including (but not limited to) any officer's certificate, survey, appraisal or insurance policy. Mortgagee shall not be deemed to have warranted or represented the sufficiency, legality, effectiveness or legal effect of the same, or of any term provision or condition thereof, and such acceptance or approval thereof shall not be or constitute any warranty or representation with respect thereto by Mortgagee.

8.15 Headings. The article headings and the section and subsection captions are inserted for convenience of reference only and shall in no way alter or modify the text of such articles, sections and subsections.

8.16 Extension of Prior Liens. If any or all of the proceeds of the Note have been used to pay any indebtedness heretofore existing against the Mortgaged Property, then, to the extent of such funds so used, and to the extent permitted by applicable law, Mortgagee shall be subrogated to all of the rights, claims, Liens, titles and interests heretofore existing against the Mortgaged Property to secure the indebtedness so paid and the former rights, claims, Liens, titles and interests, if any, are not waived but rather shall continue in full force and effect in favor of Mortgagee as cumulative security for the repayment and satisfaction of the Mortgage Obligations regardless of whether said Liens or debts are acquired by Mortgagee by assignment or are released by the holder thereof upon payment.

8.17 Relationship Between Parties. Nothing contained in the Note, this Mortgage or the other Loan Documents shall be construed as creating a joint venture or partnership between Mortgagee and Mortgagor, and Mortgagee shall have no right of control or supervision over Mortgagor except as Mortgagee may exercise its rights and remedies under this Mortgage and the other Loan Documents. Mortgagor further disclaims any fiduciary or quasi fiduciary relationship between it or any of its partners and Mortgagee.

8.18 Publicity. Subject to the provisions of the Loan Agreement, Mortgagee shall have the right at Mortgagee's expense, to issue press releases, advertisements and other promotional materials regarding the Loan secured by this Mortgage.

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8.19 Waivers Pertaining to Note. Mortgagor in its capacity as Mortgagor under this Mortgage and not as maker of the Note waives presentation, demand, protest and notice of nonpayment of the Note (except for notices required hereunder or under the other Loan Documents), and consents to delays, changes in time of payment and the amount of installments due under the Note, and to the reduction or increase of the interest rates thereof based upon changes in the LIBOR Rate referenced therein.

8.20 Jurisdiction. In accordance with Section 5-1402 of the General Obligations Law of the State of New York, Mortgagor agrees that any action or proceeding arising out of or relating to the Note, this Mortgage or the other Loan Documents may be commenced in any court located in the State of New York. Mortgagor hereby irrevocably submits to the jurisdiction of United States District Court for the Southern District of New York over any action or proceeding arising out of or relating to the Note, this Mortgage or the other Loan Document, and does hereby irrevocably waive, to the fullest extent it may effectively do so the defense of an inconvenient forum to the maintenance of such action or proceeding.

8.21 Third Parties. Nothing in this Agreement is intended to confer any rights or remedies on any persons other than Mortgagor and Mortgagee and their respective successors and assigns.

8.22 WAIVER OF JURY TRIAL. MORTGAGOR AND MORTGAGEE HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, ANY OF THE LOAN DOCUMENTS, OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION AND LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. MORTGAGOR AND MORTGAGEE ALSO WAIVE ANY BOND OR SURETY OR SECURITY UPON SUCH BOND WHICH MIGHT, BUT FOR THIS WAIVER, BE REQUIRED OF MORTGAGOR OR MORTGAGEE. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. MORTGAGOR AND MORTGAGEE ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THAT EACH SHALL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. MORTGAGOR AND MORTGAGEE FURTHER WARRANT AND REPRESENT THAT EACH HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, THE LOAN DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOAN. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

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8.23 Maximum Amount of Indebtedness. Notwithstanding anything contained herein to the contrary, the maximum amount of principal indebtedness secured by this Mortgage at the time of execution hereof or which under any contingency may become secured by this Mortgage at any time hereafter is 200% of the amount of the Loan, plus (a) taxes, charges or assessments which may be imposed by law upon the Mortgaged Property; (b) premiums on insurance policies covering the Mortgaged Property; and (c) expenses incurred in upholding and enforcing the Lien of this Mortgage, including, but not limited to (1) the expenses of any litigation to prosecute or defend the rights and Lien created by this Mortgage; (2) any amount, cost or charges to which the Mortgage becomes subrogated, upon payment, whether under recognized principles of law or equity, or under express statutory authority; (3) interest at the Default Rate (or the Interest Rate); and (4) any sums expended by Mortgagee pursuant to Section 8.4 hereof.

8.24 No Agricultural or Residential Real Estate. The Mortgagor acknowledges that the transaction of which this Mortgage is a part is a transaction which does not include either agricultural real estate (as defined in Section 15-1201 of the IMFL) or residential real estate (as defined in Section 15-1219 of the IMFL).

8.25 Business Loan Recital/Statutory Exemptions. (i) Mortgagor acknowledges and agrees that (A) the proceeds of the Loan will be used in conformance with subparagraph (1)(1) of Section 4 of the Interest Act (815 ILCS 205/0.01 *et seq.*); (B) that the obligations secured hereby constitute a business loan which comes within the purview of said Section 4; and (C) that the Loan is an exempted transaction under the Truth-in-Lending Act, 15 U.S.C. Sec. 1601 *et seq.*

8.26 Future Advances. Mortgagee is obligated under the terms of the Loan 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 IMFL. Mortgagor covenants and agrees that this Mortgage shall secure the payment of all loans and advances made pursuant to the terms and provisions of the Loan 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 twenty (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 Mortgage 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 Mortgage Obligations may increase or decrease from time to time, but the total unpaid principal balance of the Mortgage Obligations (including disbursements which Mortgagee may make under this Mortgage, or any other document or instrument evidencing or securing the Mortgage Obligations), at any time outstanding, shall not exceed the amount referred to in Section 8.23 of this Mortgage. This Mortgage shall be valid and shall have priority over all subsequent liens and encumbrances, including statutory liens, except taxes and assessments levied on the Mortgaged Property, to the extent of the maximum amount secured hereby.

8.27 Amendment and Restatement. This Mortgage amends, restates and supersedes the Original Mortgage and the Original Assignment of Leases in their entirety.

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IN WITNESS WHEREOF, Mortgagor has executed this Mortgage effective as of the date first above written.

MORTGAGOR:

550 JACKSON ASSOCIATES LIMITED LIABILITY COMPANY, a Delaware limited liability company

By: 550 Jackson Associates Limited Partnership, an Illinois limited partnership

By: 550 Jackson Corp., an Illinois corporation

By: 
Mark A. Goodman
President

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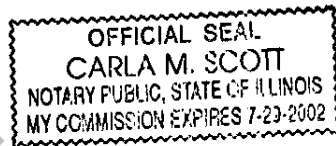
STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

I, Carla M. Scott, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Mark A. Goodman, President of 550 Jackson Corp., an Illinois corporation (the "Corporation"), as general partner in 550 Jackson Associates Limited Partnership, an Illinois limited partnership ("Partnership"), the managing member in 550 Jackson Associates Limited Liability Company, a Delaware limited liability company (the "Company"), who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such 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 Corporation, Partnership and Company, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 21st day of April, 2002.



My commission expires 7/29/08.



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EXHIBIT A

LEGAL DESCRIPTION

Lots 13 and 14 and Lot 15 (except the West 10 inches of Lot 15) and all of Lots 22, 23 and 24, in George Snow's Subdivision of Block 46, in the School Section Addition in Section 16, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

This property is also described as:

PARCEL "A"

Lots 13, 14, and 15 (except the West 10 inches of Lot 15) and all of Lots 23 and 24 in George W. Snow's Subdivision of Block 46, in the School Section Addition to Chicago; and

PARCEL "B"

Lot 22 (except the West 28 feet thereof) in George W. Snow's Subdivision of Block 46 in the School Section Addition to Chicago; and

PARCEL "C"

The West 28 feet of Lot 22 in George W. Snow's Subdivision of Block 46 in the School Section Addition to Chicago, all in Section 16, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PIN's: 17-16-113-002;
 17-16-113-003; and
 17-16-113-009

Common Address: 550 West Jackson Boulevard
 Chicago, Illinois