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Doc#: 1104815078 Fee: \$52.25
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Cook County Recorder of Deeds
Date: 02/17/2011 03:03 PM Pg: 1 of 8

Prepared by, recording requested by
~~and when recorded return to:~~

Gibson, Dunn & Crutcher LLP
555 Mission Street, Suite 3000
San Francisco, California 94105-2933
Attention: Alexander J. Pugh, Esq.

AFTER RECORDING, PLEASE RETURN TO:

Fidelity National Title Group
7130 Glen Forest Dr., Ste. 300
Richmond, VA 23228
Attn: J. Carter

PIN# 13-35-118-040-0000

(for recorder only)

NEGATIVE PLEDGE AGREEMENT

by and between

LSREF2 NOVA INVESTMENTS III, LLC
And

WELLS FARGO BANK, NATIONAL ASSOCIATION

Dated: January 28, 2011

ALL PERSONS ARE HEREBY DEEMED ON NOTICE THAT PLEDGOR HAS AGREED AND COVENANTED TO NOT SELL, CONVEY, ENCUMBER, PLEDGE, HYPOTHECATE OR OTHERWISE DISPOSE OF THE PROPERTY OR ANY PORTION THEREOF OR INTEREST THEREIN UNTIL SUCH TIME AS A TERMINATION OF THIS AGREEMENT EXECUTED BY PLEDGEE HAS BEEN RECORDED IN THE OFFICIAL RECORDS WHERE THE PROPERTY IS LOCATED

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COOK COUNTY CLERK'S OFFICE

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NEGATIVE PLEDGE AGREEMENT

THIS NEGATIVE PLEDGE AGREEMENT (this "**Agreement**") made this ___ day of January, 2011, by and between LSREF2 NOVA INVESTMENTS III, LLC, a Delaware limited liability company (the "**Pledgor**"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (the "**Pledgee**").

WITNESSETH:

WHEREAS, pursuant to the terms of that certain Purchase and Repurchase Agreement and Securities Contract by and among LSREF2 Nova Investments Trust 2010, a Delaware statutory trust ("**Seller 1**"), LSREF2 Nova Investments, LLC, a Delaware limited liability company ("**Seller 2**," collectively with Seller 1, the "**Seller**"), Pledgor, LSREF2 Nova Investments II, LLC and Pledgee dated as of December 10, 2010, (as amended, supplemented, replaced or modified from time to time, "**Repurchase Agreement**"), Pledgee has agreed to purchase the Purchased Loans (as defined in the Repurchase Agreement) from Seller and Seller has agreed to repurchase the Purchased Loans from Pledgee at a later date (together with all other Obligations of Seller under the Repurchase Agreement or any agreement related thereto, the "**Repurchase Obligations**"), all as more particularly set forth in the Repurchase Agreement.

WHEREAS, as a condition precedent to Pledgee entering into the Repurchase Agreement, the Pledgee requires that the Pledgor enter into this Agreement affecting those premises located at 3804-10 W. Dickens, Chicago, IL, and more particularly described on Exhibit A, attached hereto (the "**Property**").

NOW, THEREFORE, IN CONSIDERATION OF OBLIGATIONS OF THE PARTIES SET FORTH HEREIN AND IN THE OTHER TRANSACTION DOCUMENTS AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND LEGAL SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, AND IN ORDER TO INDUCE THE PLEDGEE TO ENTER INTO THE REPURCHASE AGREEMENT, IT IS AGREED AS FOLLOWS:

1. All initially capitalized terms used herein and not defined shall have the meanings ascribed thereto in the Repurchase Agreement.
2. The Pledgor warrants and represents to the Pledgee that the Pledgor is the sole owner of the Property free and clear of any and all liens or claims or encumbrances of any nature whatsoever except for Permitted Encumbrances.
3. The Pledgor agrees that it will defend, at the Pledgor's expense, the Property against all claims and demands of all persons at any time claiming the same or any interest therein.
4. The Pledgor agrees that it will not, except as to personal property in the ordinary course of business, or in accordance with the terms of the Repurchase Agreement, by operation of law or otherwise, transfer, sell, convey, encumber, pledge, hypothecate or otherwise dispose of the Property or any portion thereof or interest therein, or any of the personal property used in the operation of the Property, whether now or hereafter existing or now owned or hereafter acquired.
5. This is an absolute, unconditional and continuing Agreement and will remain in full force and effect until the Repurchase Obligations have been fully satisfied. This Agreement will extend to and cover renewals, extensions and/or modifications of the Repurchase Obligations and any number of extensions of time for payment or performance thereof and will not be affected by any surrender, exchange, acceptance, or release

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by Pledgee of any pledge or any security held by it for any of the Repurchase Obligations.

6. **ALL PERSONS ARE HEREBY DEEMED ON NOTICE THAT PLEDGOR HAS AGREED AND COVENANTED TO NOT SELL, CONVEY, ENCUMBER, PLEDGE, HYPOTHECATE OR OTHERWISE DISPOSE OF THE PROPERTY OR ANY PORTION THEREOF OR INTEREST THEREIN UNTIL SUCH TIME AS A TERMINATION OF THIS AGREEMENT EXECUTED BY PLEDGEE HAS BEEN RECORDED IN THE OFFICIAL RECORDS WHERE THE PROPERTY IS LOCATED.**

7. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois and no defense given or allowed by the laws of any state or country shall be interposed in any action or proceeding hereon unless such defense is also given or allowed by the laws of the State of Illinois.

8. This Agreement may not be changed or terminated orally, but only by an agreement in writing signed by the party against whom enforcement of such change or termination is sought.

9. This Agreement may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Agreement.

10. Pledgor hereby (i) represents and warrants that the Property is an REO Property (as defined in the Repurchase Agreement) and that each Seller Party is subject to the covenants and obligations with regard to the Property as an REO Property as set forth in the Repurchase Agreement, and (ii) as of the date hereof, makes the representations and warranties to Beneficiary set forth in the Repurchase Agreement which are applicable to the Property as an REO Property.

11. **PLEDGOR HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). PLEDGOR (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE WAIVERS AND CERTIFICATIONS IN THIS SECTION.**

12. **PLEDGOR ACKNOWLEDGES THAT ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST PLEDGEE OR PLEDGOR ARISING OUT OF OR RELATING TO THIS AGREEMENT MAY, AT PLEDGEE'S OPTION, BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, COUNTY OF NEW YORK, AND PLEDGOR WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND PLEDGOR HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING.**

The parties hereto agree this Agreement is in a form acceptable for recording and shall be recorded in the land records of the county where the Property is located.

[NO FURTHER TEXT ON THIS PAGE]

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IN WITNESS WHEREOF, the Pledgor and the Pledgee have executed this Negative Pledge Agreement as of the day and year first above written.

LSREF2 NOVA INVESTMENTS III, LLC
a Delaware limited liability company

By: Marc L. Lipsky
Name: Marc L. Lipsky
Its: Vice President

WELLS FARGO BANK, N.A.

By: _____
Name: Michael B. Nagin
Its: Vice President

Property of Cook County Clerk's Office

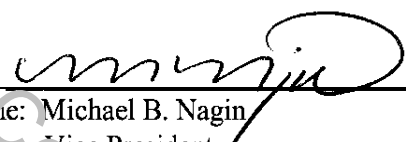
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IN WITNESS WHEREOF, the Pledgor and the Pledgee have executed this Negative Pledge Agreement as of the day and year first above written.

LSREF2 NOVA INVESTMENTS III, LLC
a Delaware limited liability company

By: _____
Name: Marc L. Lipshy
Its: Vice President

WELLS FARGO BANK, N.A.

By:  _____
Name: Michael B. Nagin
Its: Vice President

Property of Cook County Clerk's Office

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STATE OF TEXAS §
 §
COUNTY OF DALLAS §

Before me the undersigned, a Notary Public in and for said County and State, personally appeared Marc L. Lipshy, the Vice President of LSREF2 NOVA INVESTMENTS III, LLC, a Delaware limited liability company, known to me, and thereupon he acknowledged that he was authorized to execute the within instrument on behalf of said limited liability company, and that he executed said instrument as the voluntary act of the said limited liability company, and for the purposes and consideration expressed therein and in the capacity stated therein.

Given under my hand and seal of office this 21st day of January, A.D., 2011.

(Seal)



[Signature], Notary Public
(signature of Notary Public)

My Commission Expires: 1-6-14

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____ before me, _____, a Notary Public, personally appeared _____, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

PROVIDED BY COOK COUNTY CLERK'S OFFICE

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STATE OF TEXAS §
 §
COUNTY OF DALLAS §

Before me the undersigned, a Notary Public in and for said County and State, personally appeared Marc L. Lipsky, the Vice President of LSREF2 NOVA INVESTMENTS III, LLC, a Delaware limited liability company, known to me, and thereupon he acknowledged that he was authorized to execute the within instrument on behalf of said limited liability company, and that he executed said instrument as the voluntary act of the said limited liability company, and for the purposes and consideration expressed therein and in the capacity stated therein.

Given under my hand and seal of office this _____ day of January, A.D., 2011.

(Seal)

_____, Notary Public

(signature of Notary Public)

My Commission Expires: _____

STATE OF CALIFORNIA)
COUNTY OF Los Angeles)

On January 25, 2011 before me, Lisette Y. Hunton, a Notary Public, personally appeared Michael B. Wagon, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature L. Hunton

(Seal)



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EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

The Property is located in the City of Chicago, County of Cook, State of Illinois and is described as follows:

LOT 41 IN CHARLES S. NERO'S RESUBDIVISION OF BLOCK 5 IN GRANT AND KEENEY'S ADDITION TO PENNOCK, BEING A SUBDIVISION OF THE EAST ½ OF THE WEST ½ OF THE NORTHWEST ¼ OF SECTION 35, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS: 3804-10 W. Dickens
Chicago, Illinois 60647-3427

Tax Parcel Number: 13-35-118-040-0000