



Doc#: 1236331060 Fee: \$122.00
Karen A. Yarbrough RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 12/28/2012 04:15 PM Pg: 1 of 43

Illinois Anti-Predatory
Lending Database
Program

Certificate of Exemption

Report Mortgage Fraud
800-532-8785

④
Town: 8822-114

Property of Cook County Clerk's Office

The property identified as: **PIN:** 08-23-203-041-0000

Address:

Street: 1780 Wall Street

Street line 2:

City: Mount Prospect

State: IL

ZIP Code: 60065

Lender: HSBC Realty Credit Corporation (USA)

Borrower: Lake Center Industrial, LP

Loan / Mortgage Amount: \$10,400,000.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is commercial property.

Certificate number: 128DFF3A-16A0-42B1-859D-2328E4BC8A5E

Execution date: 12/21/2012

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FF771R-DI

This document prepared by
and after recording return to:

Riemer & Braunstein LLP
Times Square Tower, Suite 2506
Seven Times Square
New York, New York 10036
Attention: Erik F. Andersen, Esq.

Property Address:

1780 Wall Street
Mount Prospect, Illinois

PIN Number: 08-23-203-041-0000

MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT

LAKE CENTER INDUSTRIAL, LP,
a Delaware limited partnership, as assignor
(Mortgagor)

to

HSBC REALTY CREDIT CORPORATION (USA), a Delaware corporation,
as Administrative Agent, as assignee
(Mortgagee)

Dated: As of December 21, 2012

This Document Serves as a Fixture Filing under the Illinois Uniform Commercial Code, Chapter 810 ILCS 5/9-502(b) *et seq.* Mortgagor's Organizational Identification Number: 5146680.

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MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT (this "Mortgage") is made as of this 21st day of December, 2012, by LAKE CENTER INDUSTRIAL, LP, a Delaware limited partnership, having its principal place of business at c/o Sentinel Real Estate Corporation, 1251 Avenue of the Americas, 36th Floor, New York, New York 10020, as mortgagor ("Mortgagor") for the benefit of HSBC REALTY CREDIT CORPORATION (USA), a Delaware corporation ("HSBC"), having an address at 452 Fifth Avenue, New York, New York 10018, as administrative agent ("Administrative Agent") for itself in its individual capacity as a lender and other co-lenders that may exist from time to time (together with HSBC in its individual capacity as a lender, collectively "Lenders"), as mortgagee ("Mortgagee").

WITNESSETH:

WHEREAS, this Mortgage is given to secure a loan (the "Loan") in the principal sum of Ten Million Four Hundred Thousand and 00/100 Dollars (\$10,400,000.00) or so much thereof as may be advanced pursuant to that certain Term Loan Agreement dated as of the date hereof by and among Mortgagor, Mortgagee and the Lenders (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "Loan Agreement") and evidenced by one or more Notes with a Maturity Date (as defined herein) of January 1, 2018, as such Maturity Date may be extended to January 1, 2019 and further extended to January 1, 2020, in accordance with the terms and conditions set forth in the Loan Agreement, in the aggregate principal amount of the Loan, dated the date hereof made by Mortgagor to each Lender according to its respective Ratable Share (as defined in the Loan Agreement) of the Loan (such Notes, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, being hereinafter collectively referred to as the "Note");

WHEREAS, this Mortgage is given pursuant to the Loan Agreement, and payment, fulfillment, and performance by Mortgagor of its obligations thereunder and under the other Loan Documents (as defined herein) are secured hereby, and each and every term and provision of the Loan Agreement and the Note, including the rights, remedies, obligations, covenants, conditions, agreements, indemnities, representations and warranties of the parties therein, are hereby incorporated by reference herein as though set forth in full and shall be considered a part of this Mortgage (the Loan Agreement, the Note, this Mortgage and all other documents evidencing or securing the Obligations delivered in connection with the making of the Loan are hereinafter referred to collectively as the "Loan Documents").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited, the receipt of which is hereby acknowledged, Mortgagor does hereby irrevocably **GRANT, BARGAIN, ASSIGN, WARRANT, CONVEY** and **MORTGAGE** to Mortgagee, under and subject to the terms and conditions hereinafter set forth, that certain real property located in the Village of Mount Prospect, County of Cook, State of Illinois, more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Premises");

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TOGETHER WITH any and all buildings and other improvements now or hereafter erected on the Premises including, without limitation, all of Mortgagor's right, title and interest, if any, in fixtures, attachments, appliances, equipment, machinery, and other personal property attached to such buildings and other improvements (the "**Improvements**"), all of which shall be deemed and construed to be a part of the real property;

TOGETHER WITH all leases and other agreements affecting the use, enjoyment or occupancy of the Premises and the Improvements heretofore or hereafter entered into, whether before or after the filing by or against Mortgagor of any petition for relief under 11 U.S.C. §101 et seq., as the same may be amended from time to time (the "**Bankruptcy Code**") (collectively, the "**Leases**") and all right, title and interest of Mortgagor, its successors and assigns therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the lessees of their obligations thereunder and all rents, additional rents, revenues, issues and profits (including all oil and gas or other mineral royalties and bonuses) from the Premises and the Improvements (including, without limitation, all receivables, customer obligations, installment payment obligations and other obligations now existing or hereafter arising or created out of the sale, lease, sublease, license, concession or other grant of the right of the use and occupancy of property or rendering of services by Mortgagor, license, lease, sublease and concession fees and rentals, health club membership fees, early termination fees, food and beverage wholesale and retail sales, service charges, vending machine sales and proceeds, if any, from business interruption or other loss of income insurance) whether paid or accruing before or after the filing by or against Mortgagor of any petition for relief under the Bankruptcy Code (collectively, the "**Rents**") and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Obligations pursuant to the Loan Documents;

TOGETHER WITH all interests, estates or other claims, both in law and in equity, which Mortgagor now has or may hereafter acquire in the Premises or the Improvements;

TOGETHER WITH all easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights (including, but not limited to, any zoning lot declaration agreements or zoning lot certifications), and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Premises and the Improvements and the reversion and reversions, remainder and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Premises, to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, courtesy and rights of courtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Mortgagor of, in and to the Premises and the Improvements and every part and parcel thereof, with the appurtenances thereto;

TOGETHER WITH all right, title and interest now owned or hereafter acquired by Mortgagor in and to any greater estate in the Premises or the Improvements;

TOGETHER WITH all right, title, and interest of Mortgagor, if any, in (i) the property and interests in property described on Exhibit B attached hereto and incorporated herein by

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reference, (ii) all other personal property now or hereafter owned by Mortgagor that is now or hereafter located on or used in connection with the Premises or the Improvements, (iii) all other rights and interests of Mortgagor now or hereafter held in personal property that is now or hereafter located on or used in connection with the Premises or the Improvements, (iv) all personal property and rights and interests in personal property of similar type or kind hereafter acquired by Mortgagor, and (v) all proceeds thereof (such personal property and proceeds are referred to herein collectively as the "**Personal Property**");

TOGETHER WITH all rights of Mortgagor under any covenants, conditions, and restrictions affecting the Premises, the Improvements, or any master planned community of which the Premises and the Improvements are a part, whether now existing or hereafter arising, including, without limitation, all voting rights, declarant's rights, developer rights, and similar rights arising under any such covenants, conditions, and restrictions (collectively, the "**CC&R's**"), provided, Mortgagor shall retain the right to exercise its privileges under the CC&R's (subject in all respects to the terms of the Loan Agreement) until the occurrence of an Event of Default and after the cure of such Event of Default (to the extent Mortgagee has accepted said cure);

TOGETHER WITH all rights of Mortgagor, if any, under any and all agreements (including all management and franchise agreements, if any), contracts, certificates, instruments, franchises, permits, licenses (including, without limitation, liquor licenses), plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Premises, and any part thereof, any Improvements, or any master planned community of which the Premises and the Improvements are a part, or respecting any business or activity conducted on the Premises and any part thereof (collectively, the "**Other Agreements**") and all right, title and interest of Mortgagor therein and thereunder (but none of the obligations), including, without limitation, the right, upon the occurrence and during the continuance of any Event of Default hereunder, to receive and collect any sums payable to Mortgagor thereunder;

TOGETHER WITH all the estate, interest, right, title, other claim or demand, both in law and in equity (including, without limitation, claims or demands with respect to the proceeds of insurance in effect with respect thereto) that Mortgagor now has or may hereafter acquire in the Premises, the Improvements, the Personal Property, or any other part of the Mortgaged Property (as defined below), and any and all awards made for the taking by eminent domain, or by any proceeding of purchase in lieu thereof, of the whole or any part of the Mortgaged Property (including, without limitation, any awards resulting from a change of grade of streets and awards for severance damages); and

TOGETHER WITH all proceeds of the foregoing.

The Premises, the Improvements, the Rents, the Leases, the Personal Property, and the entire estate, property, right, title and interest hereby conveyed to Mortgagee may hereafter be collectively referred to as the "**Mortgaged Property**".

FOR THE PURPOSE OF SECURING (in such order of priority as Mortgagee may elect) the following (the "**Obligations**"):

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(a) repayment of indebtedness in the total principal amount of the Loan, or so much thereof as may have been advanced from time to time, with interest thereon, and all "Obligations" at the time and manner provided in the Loan Agreement, the Note and the other Loan Documents. The Loan Agreement contains a provision providing for a variable rate of interest under the Note;

(b) payment of all sums advanced by Mortgagee pursuant to the terms of this Mortgage and the Loan Documents to protect the Mortgaged Property, with interest thereon equal to the default interest rate set forth in the Note and/or the Loan Agreement (which rate of interest is hereinafter referred to as the "**Agreed Rate**");

(c) performance of every obligation of Mortgagor contained in the Loan Documents;

(d) payment of Additional Interest, as used herein, "**Additional Interest**" shall mean all monetary obligations of Mortgagor under any Agent Rate Management Agreement.

(e) performance of every obligation of Mortgagor contained in any agreement, document, or instrument now or hereafter executed by Mortgagor reciting that the obligations thereunder are secured by this Mortgage, including, without limitation, all other obligations, agreements or indebtedness between Mortgagor and any affiliate of Mortgagee; and

(f) compliance with and performance of each and every provision of any declaration of covenants, conditions and restrictions, any maintenance, easement and party wall agreement, or any other agreement, document, or instrument by which the Mortgaged Property is bound or may be affected.

This Mortgage, the Note, the Loan Agreement, and any other deeds of trust, mortgages, agreements, guaranties or other instruments given to evidence the Loan or further secure the payment and performance of any or all of the Obligations, as the foregoing may be amended, modified, extended, or renewed from time to time may hereinafter be collectively referred to as the "**Loan Documents**". Capitalized terms as used in this Mortgage and not otherwise defined are used with the meanings set forth in the Loan Agreement and other Loan Documents. Any term used or defined in the Uniform Commercial Code of Illinois as amended from time to time ("**Uniform Commercial Code**"), and not defined in this Mortgage, has the meaning given to the term in the Uniform Commercial Code of Illinois, when used in this Mortgage. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Mortgage may be used interchangeably in singular or plural form and the word "**Mortgagor**" shall mean "each Mortgagor and any subsequent owner or owners of the Premises or any part thereof or any interest therein," the word "**Mortgagee**" shall mean "Mortgagee and any successor Administrative Agent under the Loan Agreement," the word "**Lender**" shall mean each Lender and each and any subsequent holder(s) of the Note or any part thereof," the word "**Note**" shall mean "the Note and any other evidence of indebtedness secured by this Mortgage," the word "**Premises**" shall include any portion of the Premises and any interest therein, and the phrases "**attorneys' fees**", "**legal fees**" and "**counsel fees**" shall include any and all attorneys', paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels incurred or paid by Mortgagee in

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protecting its interest in the Premises, the Leases and the Rents and enforcing its rights hereunder.

MORTGAGOR HEREBY COVENANTS AND AGREES AS FOLLOWS:

ARTICLE I COVENANTS AND AGREEMENTS OF MORTGAGOR

1.01 Payment and Performance of Secured Obligations. Mortgagor shall pay when due and/or perform each of the Obligations.

1.02 Construction, Maintenance, Repair, Alterations. Mortgagor shall comply with the construction, maintenance, repair and alteration covenants set forth in Section 7.1 of the Loan Agreement.

1.03 Required Insurance, Delivery of Policies, Payment of Premiums. Mortgagor shall comply with the insurance requirements set forth in the Loan Agreement.

1.04 Independence of the Real Property. No buildings or other improvements on property not covered by this Mortgage rely on the Premises or any interest therein to fulfill any requirement of any Governmental Authority for the existence of such property, building or improvements; and none of the Premises relies, or will rely, on any property not covered by this Mortgage or any interest therein to fulfill any requirement of any Governmental Authority. The Premises has been properly subdivided from all other property in accordance with the requirements of any applicable Governmental Authorities.

1.05 Casualties; Insurance Proceeds. Mortgagor shall comply with the casualty and insurance proceeds requirements set forth in the Loan Agreement.

1.06 Assignment of Policies Upon Foreclosure. In the event of foreclosure of this Mortgage as a mortgage, or any other transfer of title or assignment of the Mortgaged Property in extinguishment, in whole or in part, of the Obligations, all right, title and interest of Mortgagor in and to all policies of insurance required by the Loan Agreement shall inure to the benefit of and pass to the successor in interest to Mortgagor or the purchaser or grantee of the Mortgaged Property, to the extent such policies are assignable pursuant to the terms thereof.

1.07 Intentionally Omitted.

1.08 Impositions. Mortgagor shall pay all Impositions (as defined in the Loan Agreement) as provided in the Loan Agreement.

1.09 Utilities. Mortgagor shall pay, or cause CVS (as defined in the Loan Agreement) to pay, when due all utility charges as provided in the Loan Agreement.

1.10 Actions Affecting Mortgaged Property. Mortgagor shall appear in and contest any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee; and shall pay all reasonable out-of-pocket costs and expenses (including, without

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limitation, costs of evidence of title, litigation, and reasonable attorneys' fees) in any such action or proceeding in which Mortgagee may appear.

1.11 Actions By Mortgagee. Upon the occurrence of an Event of Default, Mortgagee in its absolute and sole discretion, without obligation so to do, without releasing Mortgagor from any obligation, and with only such notice to or demand upon Mortgagor as may be reasonable under the then existing circumstances, but in no event exceeding fifteen (15) days prior written notice, may make or do the same in such manner and to such extent as it may deem necessary or appropriate. In connection therewith (without limiting its general powers, whether conferred herein, in another Loan Document or by law), Mortgagee shall have and is hereby given the right, but not the obligation, (a) to enter upon and take possession of the Mortgaged Property; (b) to make additions, alterations, repairs and improvements to the Mortgaged Property that it may consider necessary or appropriate to keep the Mortgaged Property in good condition and repair; (c) to appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Mortgagee; (d) to pay, purchase, contest or compromise any Lien or Encumbrance (as defined in the Loan Agreement) or alleged Lien or Encumbrance whether superior or junior to this Mortgage; and (e) in exercising such powers, to pay necessary expenses (including, without limitation, expenses of employment of counsel or other necessary or desirable consultants). Mortgagor shall, within five (5) Business Days of demand therefor by Mortgagee, pay to Mortgagee an amount equal to all respective reasonable out-of-pocket costs and expenses incurred by it in connection with the exercise by Mortgagee of the foregoing rights (including, without limitation, costs of evidence of title, court costs, appraisals, surveys and reasonable receiver's, trustee's and attorneys' fees) together with interest thereon from the date of such expenditures at the Agreed Rate.

1.12 Transfer of Mortgaged Property by Mortgagor. Mortgagor shall comply with the transfer restrictions set forth in the Loan Agreement.

1.13 Eminent Domain. Mortgagor shall comply with the eminent domain requirements set forth in the Loan Agreement.

1.14 Additional Security. No other security now existing, or hereafter taken, to secure the obligations secured hereby shall be impaired or affected by the execution of this Mortgage. All security for the Obligations from time to time shall be taken, considered and held as cumulative. Any taking of additional security, execution of partial releases of the security, or any extension of the time of payment of, or modification of other terms of any of the Obligations shall not diminish the force, effect or lien of this Mortgage and shall not affect or impair the liability of any maker, guarantor, surety or endorser for the payment or performance of any of the Obligations. In the event Mortgagee at any time holds additional security for any of the Obligations, it may enforce the sale thereof or otherwise realize upon the same, at its option, either before, concurrently with, or after a sale or realization is made hereunder.

1.15 Performance of Other Covenants, Agreements and Provisions. Mortgagor shall observe and perform each and every term, covenant and provision to be observed or performed by Mortgagor pursuant to the Loan Agreement, any Other Agreements or any other Loan Document, and any amendments, modifications or changes thereto.

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1.16 Intentionally Omitted.

1.17 Ownership and Liens and Encumbrances. Mortgagor shall comply with the lien and encumbrances restrictions set forth in the Loan Agreement.

1.18 Mortgagee's Powers. Without affecting the liability of any Person liable for the payment of the Obligations herein mentioned, and without affecting the lien or charge of this Mortgage upon any portion of the Mortgaged Property not then or theretofore released as security for the Obligations, Mortgagee may, from time to time and without notice (a) release any person so liable, (b) extend the Obligations, (c) release or reconvey, or cause to be released or reconveyed, at any time at Mortgagee's option any parcel, portion or all of the Mortgaged Property, (d) take or release any other or additional security or any guaranty for any Obligation herein mentioned, or (e) make compositions or other arrangements with debtors in relation thereto.

1.19 Financial Statements. Mortgagor shall deliver to Mortgagee such financial statements, balance sheets, profit and loss statements, operating statements, income and expense statements and other financial information in such detail and at the times required by the Loan Agreement. All such statements shall be prepared in accordance with the requirements of the Loan Agreement. Mortgagee shall have the right to audit, inspect and copy all of Mortgagor's books and records, relating thereto as and to the extent provided in the Loan Agreement.

1.20 Trade Names. At the request of Mortgagee from time to time, Mortgagor shall execute a certificate in form satisfactory to Mortgagee listing the trade names or fictitious business names under which Mortgagor intends to operate the Mortgaged Property or any business located thereon and representing and warranting that Mortgagor does business under no other trade names or fictitious business names with respect to the Mortgaged Property. Mortgagor shall immediately notify Mortgagee in writing of any change in said trade names or fictitious business names, and will, upon request of Mortgagee, authorize any additional financing statements and execute any other certificates necessary to reflect the change in trade names or fictitious business names.

ARTICLE II ASSIGNMENT OF RENTS

2.01 Assignment of Rents. Mortgagor hereby absolutely and irrevocably assigns and transfers to Mortgagee all the Rents of the Mortgaged Property, and hereby gives to and confers upon Mortgagee the right, power and authority to collect the Rents. Mortgagor irrevocably appoints Mortgagee its true and lawful attorney in fact, at the option of Mortgagee at any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, in the name of Mortgagor or Mortgagee, for all Rents and apply the same to the payment of the Obligations in such order as Mortgagee shall determine. Mortgagor hereby authorizes and directs the lessees, tenants and occupants to make all payments under the Leases directly to Mortgagee upon written demand by Mortgagee (which may be made at any time during the continuance of an Event of Default), without further consent of Mortgagor; provided, however, that Mortgagor shall have the right to collect such Rents (but not more than one (1) month in advance unless the written approval of Mortgagee is first obtained), and to

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retain and enjoy same, so long as an Event of Default shall not have occurred and be continuing hereunder or under the other Loan Documents.

2.02 Collection Upon an Event of Default. Upon the occurrence and during the continuance of an Event of Default, Mortgagee may, at any time without notice, through a receiver appointed by a court, and without regard to the adequacy of any security for the Obligations, enter upon and take possession of the Mortgaged Property, or any part thereof, and, with or without such entry or taking possession, in its own name sue for or otherwise collect the Rents (including, without limitation, those past due and unpaid) and apply the same, less costs and expenses of operation and collection (including, without limitation, reasonable attorneys' fees) toward payment of the Obligations in such order as Mortgagee may determine. To the extent permitted by applicable law, the collection of such Rents, or the entering upon and taking possession of the Mortgaged Property, or the application of the Rents as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default. Mortgagor also hereby authorizes Mortgagee to the extent permitted by applicable law, acting through a receiver appointed by a court of competent jurisdiction, to take over and assume the management, operation and maintenance of the Mortgaged Property and to perform all acts Mortgagee in its sole discretion deems necessary and proper and to expend such sums out of Rents as may be needed in connection therewith, in the same manner and to the same extent as Mortgagor theretofore could do (including, without limitation, the right to enter into new Leases, to cancel, surrender, alter or amend the terms of, and/or renew existing Leases and/or to make concessions to tenants). Mortgagor hereby releases all claims of any kind or nature against Mortgagee arising out of such management, operation and maintenance, excepting the liability of Mortgagee to account as hereinafter set forth.

2.03 Application of Rents. Upon such entry, Mortgagee shall, after payment of all property charges and expenses (including, without limitation, reasonable compensation to such managing agent as it may select and employ) and after the accumulation of a reserve to meet requisite amounts, credit the net amount of the Rents received by it to the Obligations, but the manner of the application of such net income and which items shall be credited shall be determined in the sole discretion of Mortgagee. Mortgagee shall not be accountable for more monies than it actually receives from the Mortgaged Property; nor shall it be liable for failure to collect Rents. Mortgagee shall make reasonable efforts to collect Rents, reserving, however, within its own absolute and sole discretion, the right to determine the method of collection and the extent to which enforcement of collection of Rents shall be prosecuted.

2.04 Mortgagee in Possession. It is not the intention of the parties hereto that an entry by Mortgagee upon the Premises under the terms of this instrument shall make Mortgagee a party in possession in contemplation of the law, except at the option of Mortgagee.

2.05 Intentionally Omitted.

2.06 No Obligation to Perform. Nothing contained herein shall operate or be construed to obligate Mortgagee to perform any obligations of Mortgagor under any Lease (including, without limitation, any obligation arising out of any covenant of quiet enjoyment therein contained in the event the lessee under any such Lease shall have been joined as a party defendant in any action to foreclose and the estate of such lessee shall have been thereby

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terminated). Prior to actual entry into and taking possession of the Premises by Mortgagee, this assignment shall not operate to place upon Mortgagee any responsibility for the operation, control, care, management or repair of the Mortgaged Property or any portion thereof, and the execution of this assignment by Mortgagor shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Mortgaged Property is and shall be that of Mortgagor, prior to such actual entry and taking of possession.

ARTICLE III SECURITY AGREEMENT

3.01 Creation of Security Interest. Mortgagor hereby grants to Mortgagee, a security interest in and to all the Personal Property.

3.02 Representations, Warranties and Covenants of Mortgagor. Mortgagor hereby represents, warrants and covenants (which representations, warranties and covenants shall survive creation of any indebtedness of Mortgagor to Mortgagee and any extension of credit thereunder) as follows:

(a) The Personal Property is not used or bought for personal, family or household purposes.

(b) The tangible portion of the Personal Property will be kept on or at the Premises or Improvements and Mortgagor will not, without the prior written consent of Mortgagee, remove the Personal Property or any portion thereof therefrom except such portions or items of Personal Property which are consumed or worn out in ordinary usage, all of which shall be promptly replaced by Mortgagor with similar items of greater value or (ii) no longer necessary for the operation or maintenance of the Property.

(c) Mortgagor authorizes Mortgagee to file one or more financing statements and/or execute one or more fixture filings pursuant to the Uniform Commercial Code, in form satisfactory to Mortgagee, and will pay the cost of recording and filing the same in all public offices wherever recording or filing is deemed by Mortgagee to be necessary or desirable.

(d) Mortgagor's principal place of business is set forth in the preamble hereto. Mortgagor does not do business under any trade name except as previously disclosed in writing to Mortgagee. Mortgagor will promptly notify Mortgagee in writing of any change in its place of business or the adoption or change of any organizational name, trade name or fictitious business name, and will upon request of Mortgagee, authorize any additional financing statements or execute any other certificates necessary to reflect the adoption or change in trade name or fictitious business name. Mortgagor will also promptly notify Mortgagee (i) of any change of Mortgagor's organizational identification number or (ii) if Mortgagor does not now have an organizational identification number and later obtains one, of such organizational identification number.

3.03 Use of Personal Property by Mortgagor. Until the occurrence of an Event of Default hereunder or under any other Loan Document and after the cure of such Event of Default, Mortgagor may have possession of the Personal Property and use it in any lawful

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manner not inconsistent with this Mortgage and not inconsistent with any policy of insurance thereon.

3.04 Remedies Upon an Event of Default.

(a) In addition to the remedies provided in Section 4.02 hereof, upon the occurrence and during the continuance of an Event of Default hereunder, Mortgagee may, at its option, do any one or more of the following:

(i) By means of a court appointed receiver, take possession of all or any of the Personal Property and exclude therefrom Mortgagor and all others claiming under Mortgagor, and thereafter hold, store, use, operate, manage, maintain and control, make repairs, replacements, alterations, additions and improvements to and exercise all rights and powers of Mortgagor with respect to the Personal Property or any part thereof. In the event Mortgagee demands, or attempts to take possession of the Personal Property in the exercise of any rights under this Mortgage, Mortgagor agrees to promptly turn over and deliver possession thereof to Mortgagee;

(ii) Without notice to or demand upon Mortgagor, make such payments and do such acts as Mortgagee may deem necessary to protect its security interest in the Personal Property (including, without limitation, paying, purchasing, contesting or compromising any Lien or Encumbrance, whether superior or inferior to such security interest) and in exercising any such powers or authority to pay all reasonable out-of-pocket expenses (including, without limitation, litigation costs and reasonable attorneys fees) incurred in connection therewith;

(iii) Require Mortgagor from time to time to assemble the Personal Property, or any portion thereof, at a place designated by Mortgagee and reasonably convenient to both parties, and deliver promptly such Personal Property to Mortgagee, or an agent or representative designated by Mortgagee. Mortgagee, and its agents and representatives, shall have the right to enter upon any or all of the Premises or Mortgagor's other premises or property to exercise Mortgagee's rights hereunder;

(iv) Realize upon the Personal Property or any part thereof as herein provided or in any manner permitted by law and exercise any and all of the other rights and remedies conferred upon Mortgagee by this Mortgage, any other Loan Document, or by law, either concurrently or in such order as Mortgagee may determine;

(v) Sell or cause to be sold in such order as Mortgagee may determine, as a whole or in such parcels as Mortgagee may determine, the Personal Property and the remainder of the Mortgaged Property;

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(vi) Sell, lease, or otherwise dispose of the Personal Property at public sale, upon terms and in such manner as Mortgagee may determine. Mortgagee may be a purchaser at any sale;

(vii) Exercise any remedies of a secured party under the Uniform Commercial Code or any other applicable law; and

(viii) Pursue such other remedies as Mortgagee and/or Lenders may have under applicable law.

(b) Unless the Personal Property is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Mortgagee shall give Mortgagor at least five (5) days' prior written notice of the time and place of any public sale of the Personal Property or other intended disposition thereof to be made. Such notice may be made in accordance with the Loan Agreement. If Mortgagee fails to comply with this Section 3.04 in any respect, its liability for such failure shall be limited to the liability (if any) imposed on it as a matter of law under the Uniform Commercial Code (or under the Uniform Commercial Code, enforced from time to time, in any other state to the extent the same is the applicable law).

(c) The proceeds of any sale under Section 3.04(a)(vi) shall be applied as follows:

(i) To the repayment of the reasonable costs and expenses of taking, holding, and preparing for the sale and the selling of the Personal Property (including, without limitation, costs of litigation and reasonable attorneys' fees) and the discharge of all Impositions, Liens and Encumbrances, and claims thereof, if any, on the Personal Property prior to the security interest granted herein (except any Impositions or Liens and Encumbrances subject to which such sale shall have been made);

(ii) To the payment of the Obligations in such order as Mortgagee shall determine; and

(iii) The surplus, if any, shall be paid to the Mortgagor or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

(d) Mortgagee shall have the right to enforce one or more remedies hereunder, successively or concurrently, and such action shall not operate to estop or prevent Mortgagee from pursuing any further remedy that it may have. Any repossession or retaking or sale of the Personal Property pursuant to the terms hereof shall not operate to release Mortgagor until full payment of any deficiency has been made in cash or Mortgagee agrees to such a release of Mortgagor in writing.

(e) Mortgagee may comply with any applicable state or federal law or regulatory requirements in connection with a disposition of the Personal Property and

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such compliance will not be considered to affect adversely the commercial reasonableness of any sale of the Personal Property.

(f) Mortgagee may sell the Personal Property without giving any warranties as to such property, and may specifically disclaim any warranties of title, merchantability, fitness for a particular purpose or the like, and this procedure will not be considered to adversely affect the commercial reasonableness of any sale of the Personal Property. Mortgagor acknowledges that a private sale of the Personal Property may result in less proceeds than a public sale.

(g) Mortgagor acknowledges that the Personal Property may be sold at a loss to Mortgagor and that, in such event, Mortgagee shall have no liability or responsibility to Mortgagor for such loss.

Mortgagee shall have the right to enforce one or more remedies hereunder, successively or concurrently, and such action shall not operate to estop or prevent Mortgagee from pursuing any further remedy that it may have. Any repossession or retaking or sale of the Personal Property pursuant to the terms hereof shall not operate to release Mortgagor until full payment of any deficiency has been made in cash or Mortgagee agrees to such a release of Mortgagor in writing.

3.05 Security Agreement. This Mortgage constitutes and shall be deemed to be a "security agreement" for all purposes of the Uniform Commercial Code and Mortgagee shall be entitled to all the rights and remedies of a "secured party" under such Uniform Commercial Code.

3.06 Fixture Filing. Upon its recording in the real property records, this Mortgage shall be effective as a financing statement filed as a fixture filing. This Mortgage shall also be effective as a financing statement covering as-extracted collateral (including oil and gas), accounts and general intangibles under the Uniform Commercial Code and the Uniform Commercial Code as in effect from time to time in any other state where the Premises is situated. In addition, a carbon, photographic or other reproduced copy of this Mortgage and/or any financing statement relating hereto shall be sufficient for filing and/or recording as a financing statement. The filing of any other financing statement relating to any personal property, rights or interests described herein shall not be construed to diminish any right or priority hereunder.

3.07 Authorization to File Financing Statements; Power of Attorney. Mortgagor hereby authorizes Mortgagee at any time and from time to time to file any initial financing statements, amendments thereto, and continuation statements, as applicable to the Mortgaged Property. For purposes of such filing, Mortgagor agrees to furnish any information reasonably requested by Mortgagee promptly upon request by Mortgagee. Mortgagor hereby irrevocably constitutes and appoints Mortgagee and any officer or agent of Mortgagee, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Mortgagor or in Mortgagor's own name to execute in Mortgagor's name any such documents and to otherwise carry out the purposes of this Section 3.07, to the extent that Mortgagor's authorization above is not sufficient. This power of attorney is a power coupled with an interest and shall be irrevocable.

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ARTICLE IV REMEDIES UPON DEFAULT

4.01 Events of Default. The occurrence of any Event of Default, as such term is defined in the Loan Agreement or any other Loan Document shall constitute an event of default hereunder ("Event of Default").

4.02 Acceleration Upon Default; Additional Remedies. Upon the occurrence and during the continuance of an Event of Default, Mortgagee may, at its option, declare all or any part of the Obligations immediately due and payable without any presentment, demand, protest or notice of any kind. Mortgagee may, in addition to the exercise of any or all of the remedies specified in Section 3.04, to the extent permitted by applicable law:

(a) institute proceedings, judicial or otherwise, for the complete foreclosure of this Mortgage under any applicable provision of law, in which case the Premises or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;

(b) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Mortgage for the portion of the Obligations then due and payable, subject to the continuing lien and security interest of this Mortgage for the balance of the Obligations not then due, unimpaired and without loss of priority;

(c) upon taking title pursuant to an order of foreclosure, sell for cash or upon credit the Premises or any part thereof and all estate, claim, demand, right, title and interest of Mortgagor therein and rights of redemption thereof, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law;

(d) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Note, the Loan Agreement or in the other Loan Documents;

(e) recover judgment on the Note either before, during or after any proceedings for the enforcement of this Mortgage or the other Loan Documents;

(f) apply for the appointment of a receiver, trustee, liquidator or conservator of the Premises, without notice and without regard for the adequacy of the security for the Obligations and without regard for the solvency of Mortgagor, any guarantor, indemnitor with respect to the Loan or of any Person liable for the payment of the Obligations;

(g) Mortgagee may enter into or upon the Premises, either personally or by its agents, nominees or attorneys and dispossess Mortgagor and its agents and servants therefrom, without liability for trespass, damages or otherwise and exclude Mortgagor and its agents or servants wholly therefrom, and take possession of all books, records and accounts relating thereto and Mortgagor agrees to surrender possession of the Premises and of such books, records and accounts to Mortgagee upon demand, and thereupon

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Mortgagee may (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Premises and conduct the business thereat; (ii) complete any construction on the Premises in such manner and form as Mortgagee deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Premises; (iv) exercise all rights and powers of Mortgagor with respect to the Premises, whether in the name of Mortgagor or otherwise, including, without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict tenants, and demand, sue for, collect and receive all Rents of the Premises and every part thereof; (v) intentionally omitted; (vi) require Mortgagor to vacate and surrender possession of the Premises to Mortgagee or to such receiver and, in default thereof, Mortgagor may be evicted by summary proceedings or otherwise; and (vii) apply the receipts from the Premises to the payment of the Obligations, in such order, priority and proportions as Mortgagee shall deem appropriate in its sole discretion after deducting therefrom all reasonable out-of-pocket expenses (including reasonable attorneys' fees) incurred in connection with the aforesaid operations and all amounts necessary to pay the Imposition, insurance and other expenses in connection with the Premises, as well as just and reasonable compensation for the services of Mortgagee, its counsel, agents and employees;

(h) apply any sums then deposited or held in escrow or otherwise by or on behalf of Mortgagee in accordance with the terms of the Loan Agreement, this Mortgage or any other Loan Document to the payment of the following items in any order in its discretion:

- (i) Impositions;
- (ii) Insurance premiums;
- (iii) Interest on the unpaid principal balance of the Note, including any Additional Interest, if applicable;
- (iv) Amortization of the unpaid principal balance of the Note;
- (v) All other sums payable pursuant to the Note, the Loan Agreement, this Mortgage and the other Loan Documents, including without limitation advances made by Mortgagee pursuant to the terms of this Mortgage; or
- (vi) Apply the undisbursed balance of, together with interest thereon, to the payment of the Obligations in such order, priority and proportions as Mortgagee shall deem to be appropriate in its discretion.

In the event of a sale, by foreclosure, or otherwise, of less than all of Premises, this Mortgage shall continue as a lien and security interest on the remaining portion of the Premises unimpaired and without loss of priority.

Prior to, upon or at any time after, commencement of foreclosure of the lien, security title and security interest provided for herein or any legal proceedings pursuant hereto, the Mortgagee may make application to a court of competent jurisdiction for appointment of a receiver of the

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Mortgaged Property. Such application may be made as a matter of strict right and without notice to the Mortgagor (unless notice is required by applicable law and such right of notice may not be waived) or regard to the adequacy of the Mortgaged Property or insolvency of the Mortgagor or any person who may be legally or equitably liable to pay the Obligations and without giving bond to the Mortgagor (unless bond is required by applicable law and such right of bond may not be waived). Any such receiver shall have all the usual powers and duties of receivers in similar cases, including the full power to rent, maintain and otherwise operate the Mortgaged Property all upon such terms as may be approved by the court, and shall apply the Rents in accordance with the provisions of this Mortgage.

4.03 Application of Proceeds. The purchase money, proceeds and avails of any disposition of the Premises, and/or any part thereof, or any other sums collected by Mortgagee pursuant to the Note, this Mortgage or the other Loan Documents, may be applied by Mortgagee to the payment of the Obligations in such priority and proportions as Mortgagee in its discretion shall deem proper.

4.04 Right to Cure Defaults. Upon the occurrence and during the continuance of any Event of Default or if Mortgagor fails to make any payment or to do any act as herein provided, Mortgagee may, but without any obligation to do so and without notice to or demand on Mortgagor and without releasing Mortgagor from any obligation hereunder, make or do the same in such manner and to such extent as Mortgagee may reasonably deem necessary to protect the security hereof. Mortgagee is authorized to enter upon the Premises for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Premises or to foreclose this Mortgage or collect the Obligations, and the reasonable out-of-pocket cost and expense thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this Section 4.04, shall constitute a portion of the Obligations and shall be due and payable to Mortgagee upon demand. All such costs and expenses incurred by Mortgagee in remedying such Event of Default or such failed payment or act or in appearing in, defending, or bringing any such action or proceeding shall bear interest at the Agreed Rate, for the period after notice from Mortgagee that such cost or expense was incurred to the date of payment to Mortgagee. All such costs and expenses incurred by Mortgagee together with interest thereon calculated at the Agreed Rate shall be deemed to constitute a portion of the Obligations and be secured by this Mortgage and the other Loan Documents and shall be immediately due and payable upon demand by Mortgagee therefor.

4.05 Actions and Proceedings. Mortgagee has the right to appear in and defend any action or proceeding brought with respect to the Premises and to bring any action or proceeding, in the name and on behalf of Mortgagor, which Mortgagee, in its discretion, decides should be brought to protect its interest in the Premises. Notwithstanding the foregoing or anything to the contrary contained herein, provided (x) there is the absence of an Event of Default, (y) Mortgagor is diligently performing its obligations and acting in the best interest of Mortgagee and the Premises with respect to any legal action or proceeding affecting the Premises and Mortgagor is keeping Mortgagee reasonably apprised as to the status of same and (z) Mortgagee determines, in its sole but reasonable discretion, that the nature of any legal action or proceeding with respect to the Premises does not pose a material threat to the Mortgagor or the Premises, Mortgagee will not unilaterally appear in and/or defend any action or proceeding affecting or regarding the Premises.

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4.06 Recovery of Sums Required to Be Paid. Mortgagee shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Obligations as the same become due, without regard to whether or not the balance of the Obligations shall be due, and without prejudice to the right of Mortgagee thereafter to bring an action of foreclosure, or any other action, for a default or defaults by Mortgagor existing at the time such earlier action was commenced.

4.07 Intentionally Omitted.

4.08 Other Rights, etc.

(a) The failure of Mortgagee or any Lender to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Mortgage. Mortgagor shall not be relieved of Mortgagor's obligations hereunder by reason of (i) the failure of Mortgagee to comply with any request of Mortgagor or any guarantor or indemnitor with respect to the Loan to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Note or the other Loan Documents, (ii) the release, regardless of consideration, of the whole or any part of the Premises, or of any person liable for the Obligations or any portion thereof, or (iii) any agreement or stipulation by Mortgagee extending the time of payment or otherwise modifying or supplementing the terms of the Note, this Mortgage or the other Loan Documents.

(b) It is agreed that the risk of loss or damage to the Premises is on Mortgagor, and Mortgagee shall have no liability whatsoever for decline in value of the Premises, for failure to maintain any policies of insurance, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Mortgagee shall not be deemed an election of judicial relief, if any such possession is requested or obtained.

(c) Mortgagee may resort for the payment of the Obligations to any other security held by Mortgagee in such order and manner as Mortgagee, in its discretion, may elect. Mortgagee may take action to recover the Obligations, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Mortgagee thereafter to foreclose this Mortgage. The rights of Mortgagee under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Mortgagee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Mortgagee shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

4.09 Right to Release Any Portion of the Premises. Mortgagee may release any portion of the Premises for such consideration as Mortgagee may require without, as to the remainder of the Premises, in any way impairing or affecting the lien or priority of this Mortgage, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the obligations hereunder shall have been reduced by the actual monetary consideration, if any, received by Mortgagee for such release, and may accept by assignment,

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pledge or otherwise any other property in place thereof as Mortgagee may require without being accountable for so doing to any other lienholder. This Mortgage shall continue as a lien and security interest in the remaining portion of the Premises.

4.10 Violation of Laws. If the Premises is not in material compliance with Legal Requirements, Mortgagee may impose additional requirements upon Mortgagor in connection herewith including, without limitation, monetary reserves or financial equivalents.

4.11 Other Remedies. Mortgagee shall have the right from time to time to protect, exercise and enforce any legal or equitable remedy against Mortgagor provided under the Loan Documents or by applicable laws.

ARTICLE V MISCELLANEOUS

5.01 Change, Discharge, Termination, or Waiver. No provision of this Mortgage may be changed, discharged, terminated, or waived except in a writing signed by the party against whom enforcement of the change, discharge, termination, or waiver is sought. No failure on the part of Mortgagee to exercise and no delay by Mortgagee in exercising any right or remedy under the Loan Documents or under the law shall operate as a waiver thereof.

5.02 Mortgagor Waiver of Rights. Mortgagor waives, to the extent permitted by law, (a) the benefit of all laws now existing or that may hereafter be enacted providing for any appraisalment before sale of any portion of the Mortgaged Property, and (b) all rights of redemption, valuation, appraisalment, stay of execution, notice of election to mature or declare due the Obligations and marshaling in the event of foreclosure of the liens hereby created, and (c) all rights and remedies that Mortgagor may have or be able to assert pertaining to the rights and remedies of sureties including, without limitation, any statutory rights of sureties.

5.03 Rights, Powers and Remedies Cumulative. Each right, power and remedy of Mortgagee as provided for in this Mortgage, or in any of the other Loan Documents or now or hereafter existing by applicable law, shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Mortgage, or in any of the Loan Documents or now or hereafter existing under applicable law, and the exercise or beginning of the exercise by Mortgagee of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by Mortgagee of any or all such other rights, powers or remedies.

5.04 Notices. All notices, requests and demands to be made hereunder to the parties hereto shall be made in accordance with the Loan Agreement.

5.05 Captions and References. The headings at the beginning of each section of this Mortgage are solely for convenience and are not part of this Mortgage. Unless otherwise indicated, each reference in this Mortgage to a section or an exhibit is a reference to the respective section herein or exhibit hereto.

5.06 Invalidity of Certain Provisions. If any provision of this Mortgage is unenforceable, the enforceability of the other provisions shall not be affected and they shall

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remain in full force and effect. If the lien of this Mortgage is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Mortgaged Property, the unsecured or partially secured portion of the debt shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the debt which is not secured or fully secured by the lien of this Mortgage.

5.07 Subrogation. To the extent that proceeds of the Note are used to pay any outstanding lien, charge or prior encumbrance against the Mortgaged Property, such proceeds have been or will be advanced by Mortgagee at Mortgagor's request and Mortgagee shall be subrogated to any and all rights and liens held by any owner or holder of such outstanding liens, charges and prior encumbrances, irrespective of whether said liens, charges or encumbrances are released.

5.08 Attorneys' Fees. If any or all of the Obligations are not paid when due or if an Event of Default occurs and is continuing, Mortgagor agrees to pay all reasonable out-of-pocket costs of enforcement and collection and preparation therefor (including, without limitation, reasonable attorneys' fees) whether or not any action or proceeding is brought (including, without limitation, all such costs incurred in connection with any bankruptcy, receivership, or other court proceedings (whether at the trial or appellate level)), together with interest therein from the date of demand at the Agreed Rate.

5.09 APPLICABLE LAW. (A) THIS SECURITY INSTRUMENT WAS NEGOTIATED IN THE STATE OF NEW YORK AND MADE BY MORTGAGOR AND ACCEPTED BY MORTGAGEE IN THE STATE OF NEW YORK, AND THE PROCEEDS OF THE NOTE SECURED HEREBY WERE DISBURSED FROM THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS SECURITY INSTRUMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICT LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA, EXCEPT THAT AT ALL TIMES THE PROVISIONS FOR THE CREATION, PERFECTION, AND ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS CREATED PURSUANT HERETO AND PURSUANT TO THE OTHER LOAN DOCUMENTS WITH RESPECT TO THE PROPERTY SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAW OF THE STATE IN WHICH THE PROPERTY IS LOCATED, IT BEING UNDERSTOOD THAT, TO THE FULLEST EXTENT PERMITTED BY THE LAW OF SUCH STATE, THE LAW OF THE STATE OF NEW YORK SHALL GOVERN THE CONSTRUCTION, VALIDITY AND ENFORCEABILITY OF ALL LOAN DOCUMENTS AND ALL OF THE OBLIGATIONS ARISING HEREUNDER OR THEREUNDER. TO THE FULLEST EXTENT PERMITTED BY LAW, MORTGAGOR HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO

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ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS SECURITY INSTRUMENT OR THE OTHER LOAN DOCUMENTS, AND THIS SECURITY INSTRUMENT AND THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(B) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST MORTGAGEE OR MORTGAGOR ARISING OUT OF OR RELATING TO THIS SECURITY INSTRUMENT MAY AT MORTGAGEE'S OPTION BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE STATE OF NEW YORK, AND MORTGAGOR 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 MORTGAGOR HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. MORTGAGOR DOES HEREBY CONSENT AND AGREE THAT SERVICE OF PROCESS IN ANY SUIT BROUGHT FOR ENFORCEMENT OF THIS MORTGAGE MAY BE MADE BY MAIL IN THE MANNER SET FORTH IN SECTION 13.2 OF THE LOAN AGREEMENT AND AGREES THAT SERVICE OF PROCESS UPON SAID PARTY AT SAID ADDRESS AND WRITTEN NOTICE OF SAID SERVICE MAILED OR DELIVERED TO MORTGAGOR IN THE MANNER PROVIDED HEREIN SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON MORTGAGOR IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK.

5.10 Usury Laws. Notwithstanding anything to the contrary, (a) all agreements and communications between Mortgagor and Mortgagee are hereby and shall automatically be limited so that, after taking into account all amounts deemed interest, the interest contracted for, charged or received by Mortgagee shall never exceed the maximum lawful rate or amount, (b) in calculating whether any interest exceeds the lawful maximum, all such interest shall be amortized, prorated, allocated and spread over the full amount and term of all principal indebtedness of Mortgagor to Mortgagee, and (c) if through any contingency or event, Mortgagee receives or is deemed to receive interest in excess of the lawful maximum, any such excess shall be deemed to have been applied toward payment of the principal of any and all then outstanding indebtedness of Mortgagor to Mortgagee, or if there is no such indebtedness, shall immediately be returned to Mortgagor.

5.11 Provisions Subject to Applicable Law. All rights, powers and remedies provided in this Mortgage may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Mortgage or any application thereof shall be invalid or unenforceable, the remainder of this Mortgage and any other application of the term shall not be affected thereby.

5.12 Joint and Several Obligations. If this Mortgage is signed by more than one party as Mortgagor, all obligations of Mortgagor herein shall be the joint and several obligations of each party executing this Mortgage as Mortgagor.

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5.13 Number and Gender. In this Mortgage the singular shall include the plural and the masculine shall include the feminine and neuter gender and vice versa, if the context so requires.

5.14 Intentionally Omitted.

5.15 Counterparts. This document may be executed and acknowledged in counterparts, all of which executed and acknowledged counterparts shall together constitute a single document. Signature and acknowledgment pages may be detached from the counterparts and attached to a single copy of this document to form physically one document, which may be recorded.

5.16 Representations and Warranties. Mortgagor represents and warrants to Mortgagee that:

(a) it is the lawful owner of the Mortgaged Property free and clear of all Liens and Encumbrances and holds a fee simple estate in the Premises and Improvements, subject only to the Permitted Exceptions and that Mortgagor has full right, power and authority to convey and mortgage the same and to execute this Mortgage;

(b) Mortgagor's exact legal name is correctly set forth in the introductory paragraph of this Mortgage;

(c) if Mortgagor is not an individual, Mortgagor is an organization of the type and (if not an unregistered entity) is incorporated in or organized under the laws of the state specified in the introductory paragraph of this Mortgage;

(d) if Mortgagor is an unregistered entity (including, without limitation, a general partnership), it is organized under the laws of the state specified in the introductory paragraph of this Mortgage; and

(e) Mortgagor's organizational identification number assigned by the State of Delaware is 5146680.

5.17 Integration. The Loan Documents contain the complete understanding and agreement of Mortgagor and Mortgagee and supersede all prior representations, warranties, agreements, arrangements, understandings, and negotiations.

5.18 Binding Effect. The Loan Documents will be binding upon, and inure to the benefit of, Mortgagor and Mortgagee and their respective successors and assigns. Mortgagor may not delegate its obligations under the Loan Documents.

5.19 Time of the Essence. Time is of the essence with regard to each provision of the Loan Documents as to which time is a factor.

5.20 Survival. The representations, warranties, and covenants of the Mortgagor and the Loan Documents shall survive the execution and delivery of the Loan Documents and the making of the Loan.

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5.21 Relationship of Mortgagor and Mortgagee. The relationship between Mortgagor, on the one hand, and Mortgagee and/or Lenders, on the other, is solely that of debtor and creditor, and Mortgagee has no fiduciary or other special relationship with Mortgagor, and no term or condition of any of the Loan Agreement, the Note, this Mortgage and the other Loan Documents shall be construed so as to deem the relationship between Mortgagor, on the one hand, and Mortgagee and/or Lenders, on the other, to be other than that of debtor and creditor.

5.22 No Reliance on Mortgagee. The general partners, members, principals and (if Mortgagor is a trust) beneficial owners of Mortgagor are experienced in the ownership and operation of properties similar to the Premises, and Mortgagor and Mortgagee are relying solely upon such expertise and business plan in connection with the ownership and operation of the Premises. Mortgagor is not relying on Mortgagee's or any Lender's expertise, business acumen or advice in connection with the Premises.

5.23 No Mortgagee Obligations.

(a) Mortgagee is not undertaking the performance of (i) any obligations under the Leases; or (ii) any obligations with respect to such agreements, contracts, certificates, instruments, franchises, permits, trademarks, licenses and other documents.

(b) By accepting or approving anything required to be observed, performed or fulfilled or to be given to Mortgagee and/or Lenders pursuant to this Mortgage, the Loan Agreement, the Note or the other Loan Documents, including, without limitation, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal, or insurance policy, neither Mortgagee nor any Lender shall be deemed to have warranted, consented to, or affirmed the sufficiency, the legality or effectiveness of same, and such acceptance or approval thereof shall not constitute any warranty or affirmation with respect thereto by Mortgagee.

ARTICLE VI

FURTHER ASSURANCES

6.01 Recording of Mortgage, etc. Mortgagor, at the request of Mortgagee, forthwith upon the execution and delivery of this Mortgage and thereafter, from time to time, will cause this Mortgage and any of the other Loan Documents creating a lien or security interest or evidencing the lien hereof upon the Premises and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect and perfect the lien or security interest hereof upon, and the interest of Mortgagee in, the Premises. Mortgagor will pay all taxes, filing, registration or recording fees, and all expenses incident to the preparation, execution, acknowledgment and/or recording, to the extent applicable, of the Note, this Mortgage, the other Loan Documents, any Note, mortgage supplemental hereto, any security instrument with respect to the Premises and any instrument of further assurance, and any modification or amendment of the foregoing documents agreed to by the parties, and all federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage, any mortgage supplemental hereto,

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any security instrument with respect to the Premises or any instrument of further assurance, and any modification or amendment of the foregoing documents, except where prohibited by law so to do.

6.02 Further Acts, etc. Mortgagor will, at the cost of Mortgagor, and without expense to Mortgagee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, deeds of trust, mortgages, assignments, notices of assignments, transfers and assurances as Mortgagee shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Mortgagee the Premises and rights hereby mortgaged, deeded, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which Mortgagor may be or may hereafter become bound to convey or assign to Mortgagee, or for carrying out the intention or facilitating the performance of the terms of this Mortgage or for filing, registering or recording this Mortgage, or for complying with all applicable laws. Subsequent to the occurrence and during the continuance of an Event of Default, Mortgagor grants to Mortgagee an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Mortgagee at law and in equity, including without limitation such rights and remedies available to Mortgagee pursuant to this Section 6.02. Notwithstanding the foregoing, nothing contained herein shall obligate Mortgagor to execute or acknowledge any document or agreement which increases or modifies the material terms of the Loan.

6.03 Changes in Tax, Debt, Credit and Documentary Stamp Laws.

(a) If any law is enacted or adopted or amended after the date of this Mortgage which deducts the Obligations from the value of the Premises for the purpose of taxation or which imposes a tax, either directly or indirectly, on the Obligations or Mortgagee's interest in the Premises, Mortgagor will pay the tax, with interest and penalties thereon, if any. If Mortgagee is advised by counsel chosen by it that the payment of tax by Mortgagor would be unlawful or taxable to Mortgagee or unenforceable or provide the basis for a defense of usury and the amount of such tax is material then Mortgagee shall have the option by written notice of not less than one hundred fifty (150) days to declare the Obligations immediately due and payable, without the payment of any Spread Maintenance Premium.

(b) Mortgagor will not claim or demand or be entitled to any credit or credits on account of the Obligations for any part of the Imposition assessed against the Premises, or any part thereof, and no deduction shall otherwise be made or claimed from the assessed value of the Premises, or any part thereof, for real estate tax purposes by reason of this Mortgage or the Obligations. If such claim, credit or deduction shall be required by law and the amount of such claim, credit or deduction is material, Mortgagee shall have the option, by written notice of not less than one hundred fifty (150) days, to declare the Obligations immediately due and payable, without the payment of any Spread Maintenance Premium.

(c) If at any time the United States of America, any State thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to the Note, this Mortgage, or any of the other Loan Documents or impose any other tax or

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charge on the same, Mortgagor will pay for the same, with interest and penalties thereon, if any.

6.04 Intentionally Omitted.

6.05 Replacement Documents. Upon receipt of an affidavit of an officer of Mortgagee as to the loss, theft, destruction or mutilation of the Note or any other Loan Document which is not of public record, and, in the case of any such mutilation, upon surrender and cancellation of such Note or other Loan Document, Mortgagor will issue, in lieu thereof, a replacement Note or other Loan Document, dated the date of such lost, stolen, destroyed or mutilated Note or other Loan Document in the same principal amount thereof and otherwise of like tenor.

6.06 Release of Mortgage. If the Obligations are paid and performed in full in accordance with the terms of this Mortgage, the Note and other Loan Documents, then this Mortgage shall at Mortgagor's option and expense, be satisfied of record or assigned, without recourse, pursuant to an instrument reasonably acceptable to Mortgagee, to another lender designated by Mortgagor at Mortgagor's request, at the expense of Mortgagor, including the payment of reasonable attorney's fees and disbursements in connection with such satisfaction or assignment.

ARTICLE VII

STATE-SPECIFIC PROVISIONS

7.01 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Article 7 and the other terms and conditions of this Mortgage, the terms and conditions of this Article 7 shall control and be binding.

7.02 Remedies Upon Default. In addition to all other rights and remedies set forth in this Mortgage, upon an Event of Default, Mortgagee shall have the following remedies:

(a) Foreclosure of Mortgage. Upon the occurrence of any Event of Default, or at any time thereafter, Mortgagee may, at its option, proceed to foreclose the lien of this Mortgage by judicial proceedings in accordance with the laws of the state in which the Premises are located and to exercise any other remedies of Mortgagee provided herein or in the other Loan Documents, or which Mortgagee may have at law or in equity. Any failure by Mortgagee to exercise such option shall not constitute a waiver of its right to exercise the same at any other time.

(b) Litigation Expenses. In any proceeding to foreclose the lien of this Mortgage or enforce any other remedy of Mortgagee under the Note, this Mortgage, the other Loan Documents or in any other proceeding whatsoever in connection with the Mortgaged Property in which Mortgagee is named as a party, there shall be allowed and included, as additional Indebtedness in the judgment or decree resulting therefrom, all expenses paid or incurred in connection with such proceeding by or on behalf of Mortgagee, including, without limitation, reasonable attorneys' fees and expenses and court costs, appraiser's fees, outlays for documentary evidence and expert advice, stenographers' charges, publication costs, survey costs, and costs (which may be estimated as to items to be expended after entry of such judgment or

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decree) of procuring all abstracts of title, title searches and examinations, title insurance policies, Torrens certificates and any similar data and assurances with respect to title to the Mortgaged Property as Mortgagee may deem reasonably necessary, and any other expenses and expenditures which may be paid or incurred by or on behalf of Mortgagee and permitted by the Illinois Mortgage Foreclosure Law (as amended from time to time, 735 ILCS 5/15-1101, *et seq.*) (the "IMF Law") to be included in the decree of sale, either to prosecute or defend in such proceeding or to evidence to bidders at any sale pursuant to any such decree the true condition of the title to or value of the Premises or the Mortgaged Property. All expenses of the foregoing nature, and such expenses as may be incurred in the protection of any of the Mortgaged Property and the maintenance of the lien of this Mortgage thereon, including, without limitation, the reasonable fees and expenses of, and court costs incurred by, any attorney employed by Mortgagee in any litigation affecting the Note, this Mortgage or any of the other Loan Documents or any of the Mortgaged Property, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding in connection therewith, shall be immediately due and payable by Mortgagor with interest thereon at the Default Rate.

(c) Performance by Mortgagee. In the event of any Event of Default, or in the event any action or proceeding is instituted which materially affects, or threatens to materially affect, Mortgagee's interest in the Mortgaged Property, Mortgagee may, but need not, make any payment or perform any act on Mortgagor's behalf in any form and manner deemed expedient by Mortgagee, and Mortgagee may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any; purchase, discharge, compromise or settle any tax lien or other prior or junior lien or title or claim thereof; redeem from any tax sale or forfeiture affecting the Mortgaged Property; or contest any tax or assessment thereon. All monies paid for any of the purposes authorized herein and all expenses paid or incurred in connection therewith, including, without limitation, reasonable attorneys' fees and court costs, and any other monies advanced by Mortgagee to protect the Mortgaged Property and the lien of this Mortgage, shall be so much additional Indebtedness, and shall become immediately due and payable by Mortgagor to Mortgagee without notice and with interest thereon at the Default Rate from the date an advance is made to and including the date the same is paid. The action or inaction of Mortgagee shall never be construed to be waiver of any right accruing to Mortgagee by reason of any default by Mortgagor. Mortgagee shall not incur any personal liability because of anything it may do or omit to do hereunder, nor shall any acts of Mortgagee act as a waiver of Mortgagee's right to accelerate the maturity of the Indebtedness or to proceed to foreclose this Mortgage.

(d) Right of Possession. In any case in which, under the provisions of this Mortgage, Mortgagee has a right to institute foreclosure proceedings, whether or not the entire principal sum secured hereby becomes immediately due and payable as aforesaid, or whether before or after the institution of proceedings to foreclose the lien hereof or before or after sale thereunder, Mortgagor shall, forthwith upon demand of Mortgagee, surrender to Mortgagee, and Mortgagee shall be entitled to take actual possession of, the Mortgaged Property or any part thereof, personally or by its agent or attorneys. In accordance with Sections 5-1701 and 5-1702 of the IMF Law, Mortgagee, in its discretion, may enter upon and take and maintain possession of all or any part of the Mortgaged Property, together with all documents, books, records, papers and accounts of Mortgagor or the then owner of the Mortgaged Property relating thereto, and may exclude Mortgagor, such owner and any agents and servants thereof wholly therefrom and may,

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as attorney-in-fact or agent of Mortgagor or such owner, or in its own name as Mortgagee and under the powers herein granted:

(i) hold, operate, manage and control all or any part of the Mortgaged Property and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, whether legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment or security of the rents, issues, deposits, profits and avails of the Mortgaged Property, including, without limitation, actions for recovery of rent, and actions in forcible detainer, all without notice to Mortgagor;

(ii) cancel or terminate any lease or sublease of all or any part of the Mortgaged Property for any cause or on any ground that would entitle Mortgagor to cancel the same;

(iii) elect to disaffirm any lease or sublease of all or any part of the Mortgaged Property made subsequent to this Mortgage or subordinated to the lien hereof;

(iv) extend or modify any then existing leases and make new leases of all or any part of the Mortgaged Property, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Loan and the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor, all persons whose interests in the Mortgaged Property are subject to the lien hereof and the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Indebtedness, satisfaction of any foreclosure decree or issuance of any certificate of sale or deed to any such purchaser; and

(v) make all necessary or proper repairs, decoration, renewals, replacements, alterations, additions, betterments and improvements in connection with the Mortgaged Property as may seem judicious to Lender, to insure and reinsure the Mortgaged Property and all risks incidental to Mortgagee's possession, operation and management thereof, and to receive all rents, issues, deposits, profits and avails therefrom.

Without limiting the generality of the foregoing, Mortgagee shall have all right, power, authority and duties as provided in the IMF Law. Nothing herein contained shall be construed as constituting Mortgagee as mortgagee in possession in the absence of the actual taking of possession of the Mortgaged Property.

(e) Appointment of Receiver. Upon, or at any time prior or after, the filing of any complaint to foreclose the lien of this Mortgage or instituting any other foreclosure of the liens and security interests provided for in this Mortgage or any other legal proceedings under this Mortgage, Mortgagee may, at Mortgagee's sole option, make application to a court of competent jurisdiction for appointment of a receiver pursuant to Section 15-1702 of the IMF Law for all or any part of the Mortgaged Property, as a matter of strict right and without notice to Mortgagor, and Mortgagor does hereby irrevocably consent to such appointment, waives any and all notices

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of and defenses to such appointment and agrees not to oppose any application therefor by Mortgagee, but nothing herein is construed to deprive Mortgagee of any other right, remedy or privilege Mortgagee may now have under the law to have a receiver appointed; provided that the appointment of such receiver, trustee or other appointee by virtue of any court order, statute or regulation shall not impair or in any manner prejudice the rights of Mortgagee to receive payment of all of the rents, issues, deposits and profits pursuant to other terms and provisions set forth in this Mortgage. Such appointment may be made either before or after sale, without notice; without regard to the solvency or insolvency, at the time of application for such receiver, of the person or persons, if any, liable for the payment of the Indebtedness; without regard to the value of the Mortgaged Property at such time and whether or not the same is then occupied as a homestead; without bond being required of the applicant; and Mortgagee hereunder or any employee or agent thereof may be appointed as such receiver. Such receiver shall have all powers and duties prescribed by the IMF Law, including the power to take possession, control and care of the Mortgaged Property and to collect all rents, issues, deposits, profits and avails thereof during the pendency of such foreclosure suit and apply all funds received toward the Indebtedness, and in the event of a sale and a deficiency where Mortgagor has not waived its statutory rights of redemption during the full statutory period of redemption, as well as during any further times when Mortgagor or its devisees, legatees, administrators, legal representatives, successors or assigns, except for the intervention of such receiver, would be entitled to collect such rents, issues, deposits, profits and avails, and shall have all other powers that may be necessary or useful in such cases for the protection, possession, control, management and operation of the Mortgaged Property during the whole of any such period. To the extent permitted by law, such receiver may extend or modify any then existing leases and make new leases of the Mortgaged Property or any part thereof, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Loan, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Mortgaged Property are subject to the lien hereof, and upon the purchaser or purchasers at any such foreclosure sale, notwithstanding any redemption from sale, discharge of indebtedness, satisfaction of foreclosure decree or issuance of certificate of sale or deed to any purchaser.

(f) Foreclosure Sale. In the event of any foreclosure sale of the Mortgaged Property, the same may be sold in one or more parcels. Mortgagee may be the purchaser at any foreclosure sale of the Mortgaged Property or any part thereof.

7.03 Compliance with the Illinois Mortgage Foreclosure Law.

(a) In the event that any provision in this Mortgage shall be inconsistent with any provisions of the IMF Law, the provision of the IMF Law shall take precedence 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 IMF Law.

(b) Mortgagor and Mortgagee shall have the benefit of all of the provisions of the IMF Law, including all amendments thereto which may become effective from time to time after the date hereof. In the event any provision of the IMF Law which is specifically referred to

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herein may be repealed, Mortgagee shall have the benefit of such provision as most recently existing prior to such repeal, as though the same were incorporated herein by express reference.

(c) If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon default of Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the IMF Law in the absence of said provision, Mortgagee shall be vested with the rights granted in the IMF Law to the full extent permitted by law.

(d) All advances, disbursements and expenditures made or incurred by Mortgagee before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, for the following purposes, in addition to those otherwise authorized by this Mortgage, the other Loan Documents or by the IMF Law (collectively "**Protective Advances**"), shall have the benefit of all applicable provisions of the IMF Law, including, without limitation, those provisions of the IMF Law herein below referred to:

(i) all advances by Mortgagee in accordance with the terms of this Mortgage or the other Loan Documents to: (A) preserve, maintain, repair, restore or rebuild the improvements upon the Mortgaged Property; (B) preserve the lien of this Mortgage or the priority thereof; or (C) enforce this Mortgage, as referred to in Subsection (b)(5) of Section 15-1302 of the IMF Law;

(ii) payments by Mortgagee of (A) principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrance (provided that nothing in this section shall be construed as authorizing the existence of any senior mortgage or other prior lien or encumbrance); (B) real estate taxes and assessments, general and special and all other taxes and assessments of any kind or nature whatsoever which are assessed or imposed upon the Mortgaged Property or any part thereof; (C) other obligations authorized by this Mortgage, or (D) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, as referred to in Section 15-1505 of the IMF Law;

(iii) advances by Mortgagee in settlement or compromise of any claims asserted by claimants under senior mortgages or any other prior liens (provided that nothing in this section shall be construed as authorizing the existence of any senior mortgage or other prior lien);

(iv) attorneys' fees and other costs incurred: (A) in connection with the foreclosure of this Mortgage as referred to in Sections 1504(d) and 15-1510 of the IMF Law; (B) in connection with any action, suit or proceeding brought by or against Mortgagee for the enforcement of this Mortgage or arising from the interest of Mortgagee hereunder; or (C) in preparation for or in connection with the commencement, prosecution or defense of any other action related to this Mortgage or the Mortgaged Property;

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(v) Mortgagee's fees and costs, including attorneys' fees, arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Subsection 15-1508(b)(1) of the IMF Law;

(vi) expenses deductible from proceeds of sales referred to in Subsections 15-1512(a) and (b) of the IMF Law;

(vii) expenses incurred and expenditures made by Mortgagee for any one or more of the following: (A) premiums for casualty and liability insurance paid by Mortgagee whether or not Mortgagee or a receiver is in possession, if reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation to maintaining of existing insurance in effect at the time any receiver or mortgagee takes possession of the Mortgaged Property imposed by Subsection 15-1704(c)(1) of the IMF Law; (B) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (C) payments deemed by Mortgagee to be required for the benefit of the Mortgaged Property or required to be made by the owner of the Mortgaged Property under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the Mortgaged Property; and (D) shared or common expense assessments payable to any association or corporation in which the owner of the Mortgaged Property is a member in any way affecting the Mortgaged Property.

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

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

All Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the IMF Law, apply to and be included in:

(1) any determination of the amount of indebtedness secured by this Mortgage at any time;

(2) the indebtedness found due and owing to Mortgagee in the judgment of foreclosure and any subsequent supplemental judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;

(3) if the right of redemption has not been waived by this Mortgage, computation of the amount required to redeem, pursuant to Subsections 5-1603(d)(2) and (e) of the IMF Law;

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(4) determination of amounts deductible from sale proceeds pursuant to Section 15-1512 of the IMF Law;

(5) application of income in the hands of any receiver or mortgagee in possession; and

(6) computation of any deficiency judgment pursuant to Subsections 15-1508(b)(2), 15-1508(e) and Section 15-1511 of the IMF Law.

(e) In addition to any provision of this Mortgage authorizing Mortgagee to take or be placed in possession of the Mortgaged Property, or for the appointment of a receiver, Mortgagee shall have the right, in accordance with Sections 15-1701 and 15-1702 of the IMF Law, to be placed in possession of the Mortgaged Property or at its request to have a receiver appointed, and such receiver, or Mortgagee, if and when placed in possession, shall have, in addition to any other powers provided in this Mortgage, all rights, powers, immunities and duties as provided for in Sections 15-1701, 15-1703 and 15-1704 of the IMF Law.

7.04 Waiver of Right of Redemption and Other Rights. To the full extent permitted by law, Mortgagor agrees that it will not at any time or in any manner whatsoever take any advantage of any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, nor take any advantage of any law now or hereafter in force providing for the valuation or appraisal of the Mortgaged Property, or any part thereof, prior to any sale thereof to be made pursuant to any provisions herein contained, or to any decree, judgment or order of any court of competent jurisdiction; or after such sale, claim or exercise any rights under any statute now or hereafter in force to redeem the Mortgaged Property so sold, or any part thereof, or relating to the marshalling thereof, upon foreclosure sale or other enforcement hereof. To the full extent permitted by law, Mortgagor hereby expressly waives any and all rights it may have to require that the Mortgaged Property be sold as separate tracts or units in the event of foreclosure. To the full extent permitted by law, Mortgagor hereby expressly waives any and all rights of redemption and reinstatement under the IMF Law, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Mortgagor and on behalf of each and every person acquiring any interest in or title to the Mortgaged Property subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Mortgagor and such other persons are and shall be deemed to be hereby waived to the full extent permitted by applicable law. To the full extent permitted by law, Mortgagor agrees that it will not, by invoking or utilizing any applicable law or laws or otherwise, hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Mortgagee, but will permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. To the full extent permitted by law, Mortgagor hereby agrees that no action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Note. Mortgagor acknowledges that the Mortgaged Property does not constitute agricultural real estate as defined in Section 5/15-1201 of the IMF Law or residential real estate as defined in Section 5/15-1219 of the IMF Law.

7.05 Use of Proceeds. Mortgagor represents and warrants to Mortgagee (i) that the proceeds of the Note secured by this Mortgage will be used for the purposes specified in 815

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ILCS 205/4(1)(l) (or any substitute, amended or replacement statute), and that the indebtedness secured hereby constitutes a business loan which comes within the purview of said 815 ILCS 205/4(1)(l), and (ii) that the Loan evidenced by the Note is an exempted transaction under the Truth In Lending Act, 15 U.S.C. §1601 *et seq.*

7.06 Intentionally Omitted.

7.07 Fixture Financing Statement. From the date of its recording, this Mortgage shall be effective as a fixture financing statement within the purview of Section 9-502(b) of the Illinois Uniform Commercial Code (as amended from time to time) with respect to the Collateral and the goods described herein, which goods are or are to become fixtures related to the Mortgaged Property. The addresses of Mortgagor (Debtor) and Mortgagee (Secured Party) are set forth below. This Mortgage is to be filed for recording with the Recorder of Deeds of the county or the counties where the Mortgaged Property is located. For this purpose, the following information is set forth:

(a) Name and Address of Debtor:

Lake Center Industrial, LP
c/o Sentinel Real Estate Corporation
1251 Avenue of the Americas, 36th Floor
New York, New York 10020

(b) Name and Address of Secured Party:

HSBC Realty Credit Corporation (USA), as Administrative Agent
452 Fifth Avenue
New York, New York 10018

(c) This document covers goods which are or are to become fixtures.

(d) Debtor's state of formation is Delaware.

(e) Debtor's exact legal name is as set forth in the first paragraph of this Mortgage.

(f) Debtor's organizational identification number is 5146680.

(g) Debtor agrees that:

(i) Where Collateral is in possession of a third party, Mortgagor will join with Mortgagee in notifying the third party of Mortgagee's interest and obtaining an acknowledgment from the third party that it is holding the Collateral for the benefit of Mortgagee;

(ii) Mortgagor will cooperate with Mortgagee in obtaining control with respect to Collateral consisting of: deposit accounts, investment property, letter of credit rights and electronic chattel paper; and

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(iii) Until the Indebtedness is paid in full, Mortgagor will not change the state where it is located or change its limited liability company name without giving Mortgagee at least thirty (30) days prior written notice in each instance.

7.08 Interest Laws. It being the intention of Mortgagee and Mortgagor to comply with the laws of the State of New York, it is agreed that notwithstanding any provision to the contrary in the Note, this Mortgage or any of the other Loan Documents, no such provision shall require the payment or permit the collection of any amount ("Excess Interest") in excess of the maximum amount of interest permitted by law to be charged for the use or detention, or the forbearance in the collection, of all or any portion of the indebtedness evidenced by the Note. If any Excess Interest is provided for, or is adjudicated to be provided for, in the Note, this Mortgage or any of the other Loan Documents, then in such event: (a) the provisions of this Paragraph 7.08 shall govern and control; (b) neither Mortgagor nor any other party obligated under the terms of the Note or any of the other Loan Documents shall be obligated to pay any Excess Interest; (c) any Excess Interest that Mortgagee may have received hereunder shall, at the option of Mortgagee, be (i) applied as a credit against the then unpaid principal balance under the Note, accrued and unpaid interest thereon not to exceed the maximum amount permitted by law, or both, (ii) refunded to the payor thereof, or (iii) any combination of the foregoing; (d) the Interest Rate (as that term is defined in the Note) shall be subject to automatic reduction to the maximum lawful contract rate allowed under the applicable usury laws of the aforesaid State, and the Note, this Mortgage and the other Loan Documents shall be deemed to be automatically reformed and modified to reflect such reduction in the Applicable Interest Rate; and (e) neither Mortgagor nor any other party obligated under the terms of the Note or any of the other Loan Documents shall have any action against Mortgagee for any damages whatsoever arising out of the payment or collection of any Excess Interest.

7.09 Other Amounts Secured; Maximum Indebtedness. Mortgagor acknowledges and agrees that this Mortgage secures the entire principal amount of the Note and interest accrued thereon, regardless of whether any or all of the loan proceeds are actually disbursed on or after the date hereof, and regardless of whether future advances are actually made at a later date, any and all litigation and other expenses and any other amounts as provided herein or in any of the other Loan Documents, including, without limitation, the payment of any and all loan commissions, service charges, liquidated damages, expenses and advances due to or paid or incurred by Mortgagee in connection with the Loan, all in accordance with the loan commitment issued in connection with this transaction and the Loan Documents. Under no circumstances, however, shall the total indebtedness secured hereby exceed Twenty Million Eight Hundred Thousand and No/100 Dollars (\$20,800,000.00). It is agreed that any future advances made by Mortgagee for the benefit of Mortgagor from time to time under this Mortgage or the other Loan Documents and whether or not such advances are obligatory or are made at the option of Mortgagee, made at any time from and after the date of this Mortgage, and all interest accruing thereon, shall be equally secured by this Mortgage and shall have the same priority as all amounts, if any, advanced as of the date hereof and shall be subject to all of the terms and provisions of this Mortgage. This Mortgage shall be valid and have priority to the extent of the full amount of the indebtedness secured hereby over all subsequent liens and encumbrances, including statutory liens, excepting solely taxes and assessments levied on the Mortgaged Property given priority by law. Notwithstanding anything to the contrary contained in the foregoing, for the purpose of clarity, Mortgagor shall not be liable for more than one hundred

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percent (100%) of the outstanding principal amount of the Note and the interest accrued thereon, and any default interest, late fees, expenses and any other amounts as provided herein or in any of the other Loan Documents.

7.10 Adjustable Mortgage Loan Provision. The Note which this Mortgage secures is an adjustable note on which the interest rate may be adjusted from time to time in accordance with the terms and provisions set forth in the Note.

7.11 Deed in Trust. If title to the Mortgaged Property or any part thereof is now or hereafter becomes vested in a trustee, any prohibition or restriction contained herein against the creation of any lien on the Mortgaged Property shall be construed as a similar prohibition or restriction against the creation of any lien on or security interest in the beneficial interest of such trust.

7.12 Collateral Protection. Unless Mortgagor provides Mortgagee with evidence of the insurance required by this Mortgage or any other Loan Document, Mortgagee may, upon three (3) days' prior notice to Mortgagor, purchase insurance at Mortgagor's expense to protect Mortgagee's interest in the Mortgaged Property or any other collateral for the indebtedness secured hereby. This insurance may, but need not, protect Mortgagor's interests. The coverage Mortgagee purchases may not pay any claim that Mortgagor makes or any claim that is made against Mortgagor in connection with the Mortgaged Property or any other collateral for the indebtedness secured hereby. Mortgagor may later cancel any insurance purchased by Mortgagee, but only after providing Mortgagee with evidence that Mortgagor has obtained insurance as required under this Mortgage or any other Loan Document. If Mortgagee purchases insurance for the Mortgaged Property or any other collateral for the indebtedness secured hereby, Mortgagor shall be responsible for the costs of that insurance, including interest in any other charges that Mortgagee may lawfully impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the indebtedness secured hereby. The costs of the insurance may be more than the cost of insurance that Mortgagor may be able to obtain on its own.

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

7.14 Interest Rate. The Loan shall have an Applicable Interest Rate (as defined below) of a variable rate equal to, as the case may be, (i) the LIBOR Fixed Rate, (ii) the LIBOR Floating Rate, or (iii) the Reference Rate plus the Reference Rate Margin (as such terms are defined below), all in accordance with and subject to the terms and conditions set forth in the Loan Agreement.

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As used herein, the following terms shall have the meanings set forth below:

“Applicable Interest Rate” shall mean (i) the LIBOR Fixed Rate with respect to any period when the Loan (or the applicable portion thereof) is a LIBOR Fixed Rate Tranche(s), (ii) the LIBOR Floating Rate with respect to any period when the Loan (or the applicable portion thereof) is a LIBOR Floating Rate Tranche(s) or (iii) the Reference Rate plus the Reference Rate Margin when the Loan (or the applicable portion thereof) is a Reference Rate Loan.

“Business Day” shall mean any day other than a Saturday or Sunday on which commercial banks are not authorized or required to close in New York City and, whenever such day relates to a LIBOR Loan, any such day on which dollar deposits are also carried out in the London interbank market and banks are also open for business in London, England.

“First Extended Maturity Date” means January 1, 2019.

“Initial Maturity Date” means January 1, 2018.

“Interest Determination Date” shall mean, with respect to each Interest Period, the date that is two (2) Business Days immediately prior to the commencement date of such Interest Period hereunder.

“Interest Period” shall mean, with respect to any LIBOR Fixed Rate Tranche(s):

(a) initially, the period commencing on the borrowing date, with respect to such LIBOR Fixed Rate Tranche(s) and ending on the last day of the same calendar month; and

(b) thereafter, each period commencing on the last day of the then expiring Interest Period applicable to such LIBOR Fixed Rate Tranche(s) and ending on the last day of the succeeding calendar month; provided that, all of the foregoing provisions (a) and (b) relating to Interest Periods are subject to the following:

(i) if any Interest Period pertaining to a LIBOR Fixed Rate Tranche(s) would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day;

(ii) any Interest Period that would otherwise extend beyond the Maturity Date shall end on the Maturity Date;

(iii) any Interest Period pertaining to a LIBOR Fixed Rate Tranche(s) that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the first month thereafter (as the case may be); and

(iv) if the Interest Period ends less than one (1) month prior to the Maturity Date, that portion of the Loan with respect to the outstanding principal balance for such period shall be a LIBOR Floating Rate Tranche(s).

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“LIBOR Base Rate” shall mean, with respect to each Interest Period, the rate for deposits in U.S. dollars (with respect to the period equal or comparable to the applicable Interest Period) that appears on Reuters Screen LIBOR01Page (or the successor thereto) as of 11:00 a.m., London time, on the related Interest Determination Date. If such rate does not appear on Reuters Screen LIBOR01Page (or the successor thereto) as of 11:00 a.m., London time, on such Interest Determination Date, LIBOR shall be the arithmetic mean of the offered rates (expressed as a percentage per annum) for deposits in U.S. dollars (with respect to the period equal or comparable to the applicable Interest Period) that appear on the Reuters Screen LIBOR Page as of 11:00 a.m., London time, on such Interest Determination Date, if at least two such offered rates so appear. If fewer than two such offered rates appear on the Reuters Screen LIBOR Page as of 11:00 a.m., London time, on such Interest Determination Date, Mortgagee shall request the principal London Office of any four major reference banks in the London interbank market selected by Mortgagee to provide such bank’s offered quotation (expressed as a percentage per annum) to prime banks in the London interbank market for deposits in U.S. dollars (with respect to the period equal or comparable to the applicable Interest Period) as of 11:00 a.m., London time, on such Interest Determination Date for the then outstanding principal amount of the Loan. If at least two (2) such offered quotations are so provided, LIBOR shall be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, Mortgagee shall request any three (3) major banks in New York City selected by Mortgagee to provide such bank’s rate (expressed as a percentage per annum) for loans in U.S. dollars to leading European banks for a one month period as of approximately 11:00 a.m., New York City time on the applicable Interest Determination Date for the then outstanding principal amount of the Loan. If at least two (2) such rates are so provided, LIBOR shall be the arithmetic mean of such rates. LIBOR shall be determined by Mortgagee and at Mortgagor’s request, Mortgagee shall provide Mortgagor with the basis for its determination.

“LIBOR Fixed Rate” shall mean, for any Interest Period, a rate per annum determined by Mortgagee to be equal to the LIBOR Base Rate plus the LIBOR Margin for such Interest Period divided by (1 minus the Reserve Requirement) for such Interest Period.

“LIBOR Fixed Rate Tranche(s)” shall mean the Loan or any portion thereof at any time in which the Applicable Interest Rate for the Loan or such portion thereof is calculated with reference to the LIBOR Fixed Rate in accordance with the provisions of Article 2 of the Loan Agreement.

“LIBOR Floating Rate” shall mean a rate equal to the BBA LIBOR Daily Floating Rate plus the LIBOR Margin.

“LIBOR Floating Rate Tranches(s)” shall mean the Loan or any portion thereof at any time in which the Applicable Interest Rate for the Loan or portion thereof is calculated with reference to the LIBOR Floating Rate.

“LIBOR Loan(s)” shall mean the Loan or any portion thereof at any time in which the Applicable Interest Rate thereon is calculated at a LIBOR Fixed Rate or a LIBOR Floating Rate.

“LIBOR Margin” shall not exceed Four Hundred (400) basis points.

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“Maturity Date” means the earlier to occur of the Initial Maturity Date or such earlier date on which the final payment of principal of the Note becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise; provided however (1) that if Mortgagor exercises its right to extend the term of the Loan for the First Extension Period and, in accordance with the terms of this Agreement, the term of the Loan is so extended, from and after such extension of the term of the Loan “Maturity Date” shall mean the First Extended Maturity Date or such earlier date on which the final payment of principal of the Note becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise; and further provided (2) that if Mortgagor exercises its right to extend the term of the Loan for the Second Extension Period and, in accordance with the terms of this Agreement, the term of the Loan is so extended, from and after such extension of the term of the Loan “Maturity Date” shall mean the Second Extended Maturity Date or such earlier date on which the final payment of principal of the Note becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.

“Reference Rate” shall mean, for any day, the rate of interest for such day from time to time announced by HSBC Bank USA, National Association, at its main branch located in New York City as its prime rate (being a base rate for calculating interest on certain loans), each change in any interest rate hereunder based on the Reference Rate to take effect at the time of such change in the prime rate. The Reference Rate is not necessarily the lowest rate for commercial or other types of loans and Mortgagee and Lenders have not committed to charge interest hereunder at any lower or lowest rate at which HSBC Bank USA, National Association, may now or in the future make loans to Mortgagor or other borrowers.

“Reference Rate Loan” shall mean the Loan or any portion thereof at any time in which the Applicable Interest Rate for the Loan or such portion thereof is calculated with reference to the Reference Rate plus Reference Rate Margin in accordance with the provisions of Article 2 of the Loan Agreement.

“Reference Rate Margin” shall not exceed Four Hundred (400) basis points.

“Regulatory Change” shall mean any change after the date of this Agreement in Federal, state or foreign law or regulations (including, without limitation, Regulation D of the Board of Governors of the Federal Reserve System) applying to a class of banks including any Lenders or the adoption or making after such date of any interpretation, directive or request applying to a class of banks including any Lenders of or under any Federal, state or foreign law or regulations (whether or not having the force of law and whether or not failure to comply therewith would be unlawful) by any court or government or monetary authority charged with the interpretation or administration thereof.

“Reserve Requirements” shall mean, for any day as applied to a LIBOR Fixed Rate Tranche(s) or a LIBOR Floating Rate Tranche(s), the aggregate (without duplication) of the rates (expressed as a decimal fraction) of reserve requirements in effect on such day, if any, (including, without limitation, any supplemental, marginal, supplemental and emergency reserves) under any regulations of the Board of Governors of the Federal Reserve System or other Governmental Authority having jurisdiction with respect thereto dealing with reserve

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requirements prescribed for eurocurrency funding (currently referred to as “Eurocurrency liabilities” in Regulation D) required to be maintained by the applicable Lender or its Loan participants, if any. Without limiting the effect of the foregoing, the Reserve Requirement shall reflect any other reserves required to be maintained by any Lender or any Lender’s respective Loan participants, if any, by reason of any Regulatory Change against (i) any category of liabilities that includes deposits by reference to which the LIBOR Base Rate or BBA LIBOR Daily Floating Rate is to be determined as provided in this Agreement or (ii) any category of extensions of credit or other assets that includes the loans the interest rate on which is determined on the basis of rates used in determining the LIBOR Base Rate or BBA LIBOR Daily Floating Rate.

“Second Extended Maturity Date” means January 1, 2020.

[SIGNATURE PAGE FOLLOWS]

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

MORTGAGOR:

LAKE CENTER INDUSTRIAL, LP,
a Delaware limited partnership

By: Lake Center GP, LLC,
a Delaware limited liability company
its General Partner

By: Contrefort Manager, Inc.,
a Delaware corporation,
its Manager

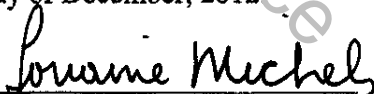
By: 
Name: Brian Kraut
Title: Vice President

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STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

I, Lorraine Michels, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Brian Kraut, the Vice President of Contrefort Manager, Inc., a Delaware corporation, the manager of Lake Center GP, LLC, a Delaware limited liability company, the general partner of Lake Center Industrial, LP, a Delaware limited partnership, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed and delivered said instrument as his/her own free and voluntary act, and the as the free and voluntary act of such company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 11th day of December, 2012


Notary Public MICHELS
Notary Public, State of New York
No. 52-4830738
Qualified in Suffolk County
Commission Expires _____

My Commission Expires:
3/29/2014

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EXHIBIT A

LEGAL DESCRIPTION

LOT 1 IN LAKE CENTER PLAZA RESUBDIVISION NO. 3, BEING A RESUBDIVISION OF LOTS 3 TO 7, INCLUSIVE, IN LAKE CENTER PLAZA AND OF LOT 2 IN LAKE CENTER PLAZA RESUBDIVISION NO. 2 AND OF VACATED PORTION OF WALL STREET, ALL IN THE NORTHEAST $\frac{1}{4}$ OF SECTION 23, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JULY 9, 2008 AS DOCUMENT 0819145106, IN COOK COUNTY, ILLINOIS

Address: 1780 Wall Street, Mt. Prospect, Illinois
PIN: 08-23-203-041-0000

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EXHIBIT B

DESCRIPTION OF PERSONAL PROPERTY

(a) All personal property (including, without limitation, all goods, supplies, equipment, furniture, furnishings, fixtures, machinery, inventory, and construction materials and software embedded in any of the foregoing) in which Mortgagor now or hereafter acquires an interest or right, which is now or hereafter located on or affixed to the Premises or the Improvements or used or useful in the operation, use, or occupancy thereof or the construction of any Improvements thereon, together with any interest of Mortgagor in and to personal property which is leased or subject to any superior security interest, and all books, records, leases and other agreements, documents, and instruments of whatever kind or character, relating to the Premises, Improvements, or such personal property;

(b) All fees, income, rents, issues, profits, earnings, receipts, royalties, and revenues which, after the date hereof and while any portion of the Obligations remains unpaid or unperformed, may accrue from such personal property or any part thereof or from the Premises, the Improvements or any other part of the Mortgaged Property, or which may be received or receivable by Mortgagor from any hiring, using, letting, leasing, subhiring, subletting, subleasing, occupancy, operation, or use thereof;

(c) All of Mortgagor's present and future rights to receive payments of money, services, or property, including, without limitation, rights to all deposits from tenants of the Premises or Improvements, sums deposited in the Accounts, chattel paper (whether tangible or electronic) notes, drafts, contract rights, instruments, general intangibles, as presently or hereafter in effect, and principal, interest and payments due on account of goods sold or leased, services rendered, loans made or credit extended, together with title to or interest in all agreements, documents, and instruments, evidencing, securing or guarantying the same;

(d) All other intangible property (and related software) and rights relating to the Premises, the Improvements, the personal property described in Paragraph (a) above or the operation, occupancy, or use thereof, including, without limitation, all governmental and non governmental permits, licenses, and approvals relating to construction or operation, occupancy, or use of the Premises or Improvements, all names under or by which the Premises or Improvements may at any time be operated or known, all rights to carry on business under any such names, or any variant thereof, all trade names and trademarks, servicemarks, logos and copyrights, relating in any way to the Premises or the Improvements, and all good will and software in any way relating to the Premises or the Improvements;

(e) All as-extracted collateral produced from or allocated to the Premises, including, without limitation, oil, gas, and other hydrocarbons and other minerals.

(f) Mortgagor's rights under all insurance policies covering the Premises (including, but not limited to, title insurance policies), the Improvements, the Personal Property, and the other parts of the Mortgaged Property and any and all proceeds, loss payments, and premium refunds payable regarding the same;

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(g) All reserves, deferred payments, deposits, refunds, cost savings, and payments of any kind relating to the construction of any Improvements on the Premises;

(h) All water stock relating to the Premises;

(i) All causes of action, claims, compensation, and recoveries for any damage to, destruction of, or condemnation or taking of the Premises, the Improvements, the Personal Property, or any other part of the Mortgaged Property, or for any conveyance in lieu thereof, whether direct or consequential, or for any damage or injury to the Premises, the Improvements, the Personal Property, or any other part of the Mortgaged Property, or for any loss or diminution in value of the Premises, the Improvements, the Personal Property, or any other part of the Mortgaged Property;

(j) All architectural, structural, mechanical, and engineering plans and specifications prepared for construction of Improvements or extraction of minerals or gravel from the Premises and all studies, data, and drawings related thereto; and also all contracts and agreements of the Mortgagor relating to the aforesaid plans and specifications or to the aforesaid studies, data, and drawings or to the construction of Improvements on or extraction of minerals or gravel from the Premises;

(k) All commercial tort claims Mortgagor now has or hereafter acquires relating to the properties, rights, titles, and interests referred to in this Exhibit B or elsewhere in the Mortgage;

(l) All letter of credit rights (whether or not the letter of credit is evidenced by a writing) Mortgagor now has or hereafter requires relating to the properties, rights, titles and interest referred to in this Mortgage;

(m) All proceeds from sale or disposition of any of the aforesaid collateral and all supporting obligations ancillary thereto or arising in any way in connection therewith;

(n) All Mortgagor's rights in proceeds of the Loan evidenced by the Note;

(o) All of Mortgagor's rights in any and all warranties and guarantees with respect to any goods, materials, supplies, chattels, fixtures, equipment, machinery, building materials, and work in progress attached to or placed in or on any part of the Premises, or used in connection with any construction on the Premises;

(p) All of Mortgagor's rights to and under any purchase agreements, including, without limitation, any deposits paid to Mortgagor pursuant to such purchase agreements;

(q) All of Mortgagor's rights in all plans, specifications, plats, agreements, assessments, reports, and surveys related to the Premises; and

(r) All of Mortgagor's rights and interests under all Rate Management Transactions and/or Rate Management Agreements, if any and all accounts, deposit accounts and general intangibles, including payment intangibles, under any Rate Management Transaction and/or Rate Management Agreements

Ex. B

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As used in this Exhibit B the terms “Loan Agreement”, “Obligations”, “Note”, “Mortgaged Property”, “Premises”, “Improvements”, and “Personal Property” shall have the meanings set forth in the Mortgage to which this Exhibit B is attached.

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