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COOK COUNTY, ILLINOIS
FILED FOR RECORD

(Chicago, Illinois)

23 MAY 14 PM 12:09

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Date: As of May 13, 1993

MORTGAGE, ASSIGNMENT OF LEASES AND
RENTS AND SECURITY AGREEMENT
("this Mortgage")

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FROM

CREATIVE CARD COMPANY, an
Illinois corporation, doing business in Illinois
as C/C Sales, Century Engraving & Embossing Company,
Century Grant Imprint Center, Century/Regency Greetings,
Creative Greeting Cards, G.Y. Industries, Holly Hill Studios
and Regency Greetings

("Mortgagor")

Address: c/o Williamhouse-Regency, Inc.
28 West 23rd Street
New York, New York 10010
Attn: Chief Financial Officer

TO

THE CIT GROUP/BUSINESS CREDIT, INC.,
a New York corporation
having an office at
1211 Avenue of the Americas, New York, New York 10036

("Mortgagee")

Mortgage Amount: \$25,000,000

Premises located at: 1500 West Monroe Street
Chicago, Illinois
Property Index No. 17-17-101-034

This instrument prepared by, and after recording please return to:
Dewey Ballantine
1301 Avenue of the Americas
New York, New York 10019-6092

Attention: Stuart Hirshfield, Esq. (48831)

BOX 333

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Property of Cook County Clerk's Office

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THE AMOUNT OF THIS MORTGAGE IS \$21,000,000

RECITAL

Mortgagor is the owner of the premises described in Schedule A hereto. Mortgagee has agreed to make (i) a revolving Loan (the "Revolving Loan") to Mortgagor up to the amount of \$35,000,000 and (ii) a term loan (the "Term Loan") in the amount of \$25,000,000, each pursuant to, and in accordance with, that certain Financing and Security Agreement between Mortgagee and Mortgagor and affiliates of Mortgagor, dated as of May 1, 1993 (the "Loan Agreement"), which Revolving Loan is evidenced by those certain Revolving Loans Promissory Notes in the aggregate original principal amount of \$35,000,000 as described in the Loan Agreement (together, the "Revolving Loans Promissory Note") and the Term Loan is evidenced by certain Promissory Notes in the aggregate original principal amount of \$25,000,000 (together, the "Term Note"), each of Mortgagor of even date herewith (collectively, the "Note") which Term Note obligates Mortgagor to pay the amount of the Term Loan which shall be fully advanced on the date hereof and which Revolving Loan Promissory Note obligates Mortgagor to pay the amount of advances or readvances made by Mortgagee pursuant to the Loan Agreement. Mortgagor shall be entitled, upon the satisfaction of the terms and provisions of the Loan Agreement to borrow, repay and reborrow under the Revolving Loan; provided, however, that in no event shall the outstanding amount of the Revolving Loan be more than the amount evidenced by the Revolving Loans Promissory Note.

The lien of this Mortgage secures a payment of any existing indebtedness and future advances made pursuant to the Note, to the same extent as if such future advances were made on the date of the execution of this Mortgage without regard to whether or not there is any advance made at the time this Mortgage is executed and without regard to whether or not there is any indebtedness outstanding at the time any advance is made.

In order to secure the payment of the principal amount of the Note, in an amount equal to the greater of (i) the Mortgage Amount and (ii) the principal amount outstanding thereunder, together with interest and other amounts payable thereon in accordance with the Note, Mortgagor has duly authorized the execution and delivery of this Mortgage.

CERTAIN DEFINITIONS

Mortgagor and Mortgagee agree that, unless the context otherwise specifies or requires, the following terms shall have the meanings herein specified, such definitions to be applicable equally to the singular and the plural forms of such terms.

"Borrower" shall have the meaning set forth in the Loan Agreement.

"Chattels" means all of Mortgagor's fixtures, furnishings, fittings, appliances, apparatus, equipment, building materials and components, machinery and articles of personal property, of whatever kind or nature, including any replacements, proceeds or products thereof and additions thereto, other than those owned by lessees, now or at any time hereafter intended to be or actually affixed to, attached to, placed upon, or used in any way in connection with the complete and comfortable use, enjoyment, development, occupancy or operation of the Premises, and whether located on or off the Premises, but excluding the Excluded Assets as defined in the Loan Agreement.

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"Event of Default" shall have the meaning set forth in Section 2.01 hereof.

"Guarantor" means any guarantor of all or part of Mortgagor's obligations under the Note or this Mortgage.

"Improvements" means all structures or buildings, and replacements thereof, now or hereafter located upon the Premises, including all plant equipment, apparatus, machinery and fixtures of every kind and nature whatsoever forming part of said structures or buildings.

"Loan Agreement" shall have the meaning set forth in the first Recital Paragraph above.

"Material Borrower" shall have the meaning set forth in the Loan Agreement.

"Mortgage Amount" shall be the amount set forth on the cover page hereof.

"Note" shall have the meaning set forth in the first Recital paragraph above.

"Obligations" shall have the meaning set forth in the Loan Agreement.

"Permitted Encumbrances" shall mean the encumbrances set forth on Schedule B attached hereto and made a part hereof.

"Premises" means the premises described in Schedule A hereto including all of the easements, rights, privileges and appurtenances (including air rights) thereunto belonging or in anywise appertaining, and all of the estate, right, title, interest, claim or demand whatsoever of Mortgagor therein and in the streets and ways adjacent thereto, either in law or in equity, in possession or expectancy, now or hereafter acquired, and as used in this Mortgage, shall, unless the context otherwise requires, be deemed to include the Improvements.

"Prior Mortgage" means the mortgage(s) of all or part of the Mortgaged Property, if any, to which this Mortgage is subordinate, set forth in the title policy insuring the lien of this Mortgage together with the note(s) secured thereby and all other documents securing said note(s).

"Revolving Loan" shall have the meaning set forth in the first Recital paragraph above.

"Revolving Loans Promissory Note" shall have the meaning set forth in the first Recital paragraph above.

"Term Loan" shall have the meaning set forth in the first Recital paragraph above.

All terms of this Mortgage which are not defined above shall have the meaning set forth elsewhere in this Mortgage.

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GRANTING CLAUSE

NOW, THEREFORE, Mortgagor, in consideration of the premises and in order to secure the payment of both the principal of, and the interest and any other sums payable on, the Note or this Mortgage or the Loan Agreement and the performance and observance of all the provisions hereof and of the Note, and the Loan Agreement hereby gives, grants, bargains, sells, warrants, aliens, remises, releases, conveys, assigns, transfers, mortgages, hypothecates, deposits, pledges, sets over and confirms unto Mortgagee, all its estate, right, title and interest in, to and under any and all of the following described property (the "Mortgaged Property") whether now owned or held or hereafter acquired:

- (i) the Premises;
- (ii) the Improvements;
- (iii) the Chattels;
- (iv) all rents, royalties, issues, profits, revenue, income and other benefits of the Mortgaged Property (the "Rents") and all leases of the Mortgaged Property or portions thereof now or hereafter entered into and all right, title and interest of Mortgagor thereunder, including, without limitation, cash or securities deposited thereunder to secure performance by the lessees of their obligations thereunder, whether such cash or securities are to be held until the expiration of the terms of such leases or applied to one or more of the instalments of rent coming due immediately prior to the expiration of such terms, including any guaranties of such leases, all subject, however, to the provisions of Section 3.01 hereof;
- (v) all proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including, without limitation, proceeds of insurance and condemnation awards, and all rights of Mortgagor to refunds of real estate taxes and assessments; and
- (vi) all sums held by or under the control of the holder of the Prior Mortgage which were deposited on account of real estate taxes, insurance premiums or otherwise.

TO HAVE AND TO HOLD unto Mortgagee, its successors and assigns forever.

ARTICLE I

PARTICULAR COVENANTS OF MORTGAGOR

Mortgagor covenants and agrees as follows:

SECTION 1.01. Mortgagor warrants that as to any of the Mortgaged Property aforesaid which does not form a part and parcel of the real estate, this Mortgage is and is hereby deemed to be, as well, as Security Agreement under the Uniform Commercial Code for the purpose of creating hereby a security interest in such property, which is hereby granted to

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Mortgagee as "Secured Party" (as said quoted term is defined in the Uniform Commercial Code), securing the aforesaid indebtedness and obligations and that it has a good and marketable title to an indefeasible fee estate in the Premises subject to no lien, charge or encumbrance except the Permitted Encumbrances; that it owns the Chattels, all leases and the Rents in respect of the Mortgaged Property and all other personal property encumbered hereby free and clear of liens and claims except the Permitted Encumbrances; and that this Mortgage is and will remain a valid and enforceable lien on the Mortgaged Property subject only to the exceptions referred to above. Mortgagor has full power and lawful authority to mortgage the Mortgaged Property in the manner and form herein done or intended hereafter to be done. Mortgagor will preserve such title, and will forever warrant and defend the same to Mortgagee and will forever warrant and defend the validity and priority of the lien hereof against the claims of all persons and parties whomsoever. Mortgagor further represents that no default or event of default has occurred (without giving effect to any cure or grace period or notice requirement) under any agreement for borrowed money such that the holders of such indebtedness could accelerate the maturity thereof or under any agreement pursuant to which any of its securities were sold such that the holders of such securities could require their redemption.

SECTION 1.02. Subject to applicable grace periods under the Loan Agreement, Mortgagor will punctually pay the principal and interest and all other sums to become due in respect of the Note at the time and place and in the manner specified in the Note, according to the true intent and meaning thereof, all in any coin or currency of the United States of America which at the time of such payment shall be legal tender for the payment of public and private debts.

SECTION 1.03. All right, title and interest of Mortgagor in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to, the Mortgaged Property, hereafter acquired by, or released to, Mortgagor or constructed, assembled or placed by Mortgagor on the Premises, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further mortgage, conveyance, assignment or other act by Mortgagor, shall become subject to the lien of this Mortgage as fully and completely, and with the same effect, as though now owned by Mortgagor and specifically described in the granting clause hereof, but at any and all times Mortgagor will execute and deliver to Mortgagee any and all such further assurances, mortgages, conveyances or assignments thereof as Mortgagee may reasonably require for the purpose of expressly and specifically subjecting the same to the lien of this Mortgage.

SECTION 1.04. Mortgagor will pay or cause to be paid, when due, all taxes, assessments, claims and other charges (herein, "taxes") lawfully levied or assessed upon Mortgagor or the Mortgaged Property and if such taxes remain unpaid after the date fixed for the payment thereof unless such taxes are not in excess of \$100,000 and are being diligently contested in good faith by the Mortgagor by appropriate proceedings or if any lien shall be claimed thereunder (x) for taxes due the United States of America or (y) which in the Mortgagee's opinion might create a valid obligation having priority over the rights granted to the Mortgagee

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herein, the Mortgagee may, on the Mortgagor's behalf, pay such taxes, and the amount thereof shall be an obligation secured hereby and due to the Mortgagee on demand. Mortgagor will, upon Mortgagee's request, deliver to Mortgagee receipts (or bills, together with cancelled checks) evidencing the payment of all such taxes, assessments, levies, fees, rents and other public charges imposed upon or assessed against it or the Mortgaged Property or the revenues, rents, issues, income or profits thereof.

SECTION 1.05. Mortgagee may make advances with respect to the Mortgaged Property as are permitted under the Loan Agreement and all sums so advanced shall be a lien upon the Mortgaged Property and shall be secured hereby.

SECTION 1.06. Mortgagor will indemnify and hold Mortgagee harmless against any loss or liability, cost or expense, including, without limitation, any judgments, attorney's fees, costs of appeal bonds and printing costs, arising out of or relating to any proceeding instituted by any claimant alleging a violation by Mortgagor of any applicable lien law.

SECTION 1.07. (a) Mortgagor shall perform or observe all covenants and conditions to be performed or observed by the mortgagor or grantor under the Prior Mortgage.

(b) Upon notice from Mortgagee, Mortgagor shall deliver to Mortgagee a copy of the cancelled check (or, if a cancelled check is not available, other evidence of payment reasonably satisfactory to Mortgagee) for a particular payment of principal and interest on the Prior Mortgage in the amount of such payment delivered to the holder of the Prior Mortgage, as evidence of the payment thereof. If an Event of Default shall be continuing, Mortgagee shall have the right, exercisable by notice to Mortgagor, to require Mortgagor to make payment of principal and interest on the Prior Mortgage through Mortgagee and, if Mortgagee exercises such right, Mortgagor shall deliver to Mortgagee a check in the amount of each instalment of such principal and interest, payable to the order of the holder of the Prior Mortgage, not later than three days prior to the due date thereof and Mortgagee shall promptly forward such check to said holder.

(c) Mortgagor hereby irrevocably designates Mortgagee its agent and attorney-in-fact to perform or observe on behalf of Mortgagor any covenant or condition which Mortgagor fails to perform or observe under the Prior Mortgage within any applicable grace period specified in the Prior Mortgage, and any advances made by Mortgagee in connection with such performance or observance shall be a lien on the Mortgaged Property and the amount so advanced, with interest, shall be secured by this Mortgage. Mortgagee shall have the right, but not the obligation, to so perform or so observe. The performance or observance of such covenant or condition by Mortgagee shall not prevent Mortgagor's failure to so perform or observe from constituting an Event of Default. In performing or observing any such covenant or condition, Mortgagee shall have the right to enter upon the Mortgaged Property. Upon receipt by Mortgagee from the holder of the Prior Mortgage of any notice of default under the Prior Mortgage, Mortgagee may rely thereon and take any action permitted by this Section to remedy such default notwithstanding that the existence of such default or the nature thereof may be questioned or denied by Mortgagor.

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(d) Mortgagor shall not enter into any modification or amendment to the Prior Mortgage nor acquire, whether directly or indirectly, any interest in the Prior Mortgage, provided, however, in no event shall the foregoing impair the right of Mortgagor to prepay amounts secured by the Prior Mortgage.

ARTICLE II

EVENTS OF DEFAULT AND REMEDIES

SECTION 2.01. It shall be an Event of Default hereunder if an Event of Default (as defined in the Loan Agreement) shall have occurred under the Loan Agreement (each, an "Event of Default") and, if one or more of such Events of Default shall happen;

then and in every such case:

(I) During the continuance of any such Event of Default, Mortgagee, by notice given to Mortgagor, may declare the entire principal of the Note then outstanding (if not then due and payable), and all accrued and unpaid interest thereon, to be due and payable immediately, and upon any such declaration the principal of the Note and said accrued and unpaid interest shall become and be immediately due and payable, anything in the Note or in this Mortgage to the contrary notwithstanding.

(II) During the continuance of any such Event of Default, Mortgagee personally, or by its agents or attorneys, may enter into and upon all or any part of the Premises, and each and every part thereof, and is hereby given a right and license and appointed Mortgagor's attorney-in-fact and exclusive agent to do so, and may exclude Mortgagor, its agents and servants wholly therefrom; and having and holding the same, may use, operate, manage and control the Premises and conduct the business thereof, either personally or by its superintendents, managers, agents, servants, attorneys or receivers; and upon every such entry, Mortgagee, at the expense of the Mortgaged Property, from time to time, either by purchase, repairs or construction, may maintain and restore the Mortgaged Property, whereof it shall become possessed as aforesaid; and likewise, from time to time, at the expense of the Mortgaged Property, Mortgagee may make all necessary or proper repairs, renewals and replacements and such useful alterations, additions, betterments and improvements thereto and thereon as to it may seem advisable; and in every such case Mortgagee shall have the right to manage and operate the Mortgaged Property and to carry on the business thereof and exercise all rights and powers of Mortgagor with respect thereto either in the name of Mortgagor or otherwise as it shall deem best; and Mortgagee shall be entitled to collect and receive the Rents and every part thereof, all of which shall for all purposes constitute property of Mortgagor; and in furtherance of such right Mortgagee may collect the rents payable under all leases of the Premises directly from the lessees thereunder upon notice to each such lessee that an Event of Default exists hereunder accompanied by a demand on such lessee for the payment to Mortgagee of all rents due and to become due under its lease, and Mortgagor

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FOR THE BENEFIT OF MORTGAGEE AND EACH SUCH LESSEE hereby covenants and agrees that the lessee shall be under no duty to question the accuracy of Mortgagee's statement of default and shall unequivocally be authorized to pay said rents to Mortgagee without regard to the truth of Mortgagee's statement of default and notwithstanding notices from Mortgagor disputing the existence of an Event of Default such that the payment of rent by the lessee to Mortgagee pursuant to such a demand shall constitute performance in full of the lessee's obligation under the lease for the payment of rents by the lessee to Mortgagor; and after deducting the expenses of conducting the business thereof and of all maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements and amounts necessary to pay for taxes, assessments, insurance and prior or other proper charges upon the Mortgaged Property or any part thereof, as well as just and reasonable compensation for the services of Mortgagee and for all attorneys, counsel, agents, clerks, servants and other employees by it engaged and employed, Mortgagee shall apply the moneys arising as aforesaid, first, to the payment of the principal of the Note and the interest thereon when and as the same shall become payable and second, to the payment of any other sums required to be paid by Mortgagor under this Mortgage.

(III) Mortgagee, with or without entry, personally or by its agents or attorneys, insofar as applicable, may:

(1) sell the Mortgaged Property to the extent permitted and pursuant to the procedures provided by law, and all estate, right, title and interest, claim and demand therein, and right of redemption thereof, at one or more sales as an entity or in parcels or parts, and at such time and place upon such terms and after such notice thereof as may be required or permitted by law; or

(2) institute proceedings for the complete or partial foreclosure of this Mortgage; or

(3) take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Note, the Loan Agreement or in this Mortgage, or in aid of the execution of any power herein granted or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as Mortgagee shall elect.

SECTION 2.02. (a) Mortgagee may adjourn from time to time any sale by it to be made under or by virtue of this Mortgage by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, except as otherwise provided by any applicable provision of law, Mortgagee, without further notice or publication, may make such sale at the time and place to which the same shall be so adjourned.

(b) Upon the completion of any sale or sales made by Mortgagee under or by virtue of this Article II, Mortgagee, or an officer of any court empowered to do so, shall execute and deliver to the accepted

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purchaser or purchasers a good and sufficient instrument or instruments conveying, assigning and transferring all estate, right, title and interest in and to the property and rights sold. Mortgagee is hereby appointed the true and lawful attorney irrevocable of Mortgagor, in its name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Mortgaged Property and rights so sold and for that purpose Mortgagee may execute all necessary instruments of conveyance, assignment and transfer, and may substitute one or more persons with like power, Mortgagor hereby ratifying and confirming all that its said attorney or such substitute or substitutes shall lawfully do by virtue hereof. Nevertheless, Mortgagor, if requested by Mortgagee, shall ratify and confirm any such sale or sales by executing and delivering to Mortgagee or to such purchaser or purchasers all such instruments as may be advisable, in the judgment of Mortgagee, for the purpose, and as may be designated in such request. Any such sale or sales made under or by virtue of this Article II, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Mortgagor in and to the properties and rights so sold, and shall be a perpetual bar both at law and in equity against Mortgagor and against any and all persons claiming or who may claim the same, or any part thereof from, through or under Mortgagor.

(c) In the event of any sale or sales made under or by virtue of this Article II (whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale), the entire principal of, and interest on, the Note, if not previously due and payable, and all other sums required to be paid by Mortgagor pursuant to this Mortgage, immediately thereupon shall, anything in the Note or in this Mortgage to the contrary notwithstanding, become due and payable.

(d) The purchase money, proceeds or avails of any sale or sales made under or by virtue of this Article II, together with any other sums which then may be held by Mortgagee under this Mortgage, whether under the provisions of this Article II or otherwise, shall be applied as follows:

First: To the payment of the costs and expenses of such sale, including reasonable compensation to Mortgagee, its agents and counsel, and of any judicial proceedings wherein the same may be made, and of all expenses, liabilities and advances made or incurred by Mortgagee under this Mortgage, in accordance with the Loan Agreement, and of all taxes, assessments or other charges, except any taxes, assessments or other charges subject to which the Mortgaged Property shall have been sold.

Second: To the payment of the whole amount then due, owing or unpaid upon the Note for principal and interest, in accordance with the Loan Agreement.

Third: To the payment of any other sums required to be paid by Mortgagor pursuant to any provision of this Mortgage or of the Note.

Fourth: To the payment of the surplus, if any, to whomsoever

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may be lawfully entitled to receive the same. () () ()

(a) Upon any sale or sales made under or by virtue of this Article II, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Mortgagee may bid for and acquire the Mortgaged Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the indebtedness secured by this Mortgage the net sales price after deducting therefrom the expenses of the sale and the costs of the action and any other sums which Mortgagee is authorized to deduct under this Mortgage.

SECTION 2.03. (a) In case an Event of Default described in Section 2.01 hereof shall have happened and be continuing, then, upon written demand of Mortgagee, Mortgagor will pay to Mortgagee the whole amount which then shall have become due and payable on the Note, for principal or interest or both, as the case may be, and after the happening of said Event of Default will also pay to Mortgagee interest at the Involuntary Rate on the then unpaid principal of the Note, and the sums required to be paid by Mortgagor pursuant to any provision of this Mortgage, and in addition thereto such further amount as shall be sufficient to cover the costs and expenses of collection, including reasonable compensation to Mortgagee, its agents and counsel and any expenses incurred by Mortgagee hereunder. In the event Mortgagor shall fail forthwith to pay such amounts upon such demand, Mortgagee shall be entitled and empowered to institute such action or proceedings at law or in equity as may be advised by its counsel for the collection of the sums so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against Mortgagor and collect, out of the property of Mortgagor wherever situated, as well as out of the Mortgaged Property, in any manner provided by law, moneys adjudged or decreed to be payable.

(b) Mortgagee shall be entitled to recover judgment as aforesaid either before, after or during the pendency of any proceedings for the enforcement of the provisions of this Mortgage; and the right of Mortgagee to recover such judgment shall not be affected by any entry or sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the provisions of this Mortgage, or the foreclosure of the lien hereof; and in the event of a sale of the Mortgaged Property, and of the application of the proceeds of sale, as in this Mortgage provided, to the payment of the debt hereby secured, Mortgagee shall be entitled to enforce payment of, and to receive all amounts then remaining due and unpaid upon, the Note, and to enforce payment of all other charges, payments and costs due under this Mortgage, and shall be entitled to recover judgment for any portion of the debt remaining unpaid, with interest at the Involuntary Rate. In case of proceedings against Mortgagor in insolvency or bankruptcy or any proceedings for its reorganization or involving the liquidation of its assets, then Mortgagee shall be entitled to prove the whole amount of principal and interest due upon the Note to the full amount thereof, and all other payments, charges and costs due under this Mortgage, without deducting therefrom any proceeds obtained from the sale of the whole or any part of the Mortgaged Property, provided, however, that in no case shall Mortgagee receive a greater amount than such principal and interest and such other payments, charges and costs from the aggregate amount of the proceeds of the sale of

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the Mortgaged Property and the distribution from the estate of Mortgagor.

(c) No recovery of any judgment by Mortgagee and no levy of an execution under any judgment upon the Mortgaged Property or upon any other property of Mortgagor shall affect in any manner or to any extent, the lien of this Mortgage upon the Mortgaged Property or any part thereof, or any liens, rights, powers or remedies of Mortgagee hereunder, but such liens, rights, powers and remedies of Mortgagee shall continue unimpaired as before.

(d) Any moneys thus collected by Mortgagee under this Section 2.03 shall be applied by Mortgagee in accordance with the provisions of clause (d) of Section 2.02 hereof.

SECTION 2.04. After the happening of any Event of Default and immediately upon the commencement of any action, suit or other legal proceedings by Mortgagee to obtain judgment for the principal of, or interest on, the Note and other sums required to be paid by Mortgagor pursuant to any provision of this Mortgage, or of any other nature in aid of the enforcement of the Note or of this Mortgage, Mortgagor will (a) waive the issuance and service of process and enter its voluntary appearance in such action, suit or proceeding and (b) if required by Mortgagee, consent to the appointment of a receiver or receivers of all or part of the Mortgaged Property and of any or all of the Rents in respect thereof. After the happening of any Event of Default and during its continuance, or upon the commencement of any proceedings to foreclose this Mortgage or to enforce the specific performance hereof or in aid thereof or upon the commencement of any other judicial proceeding to enforce any right of Mortgagee, Mortgagee shall be entitled, as a matter of right, if it shall so elect, without the giving of notice to any other party and without regard to the adequacy or inadequacy of any security for the indebtedness secured hereby, forthwith either before or after declaring the unpaid principal of the Note to be due and payable, to the appointment of such a receiver or receivers. Such appointment may be made either before or after any foreclosure sale without regard to the solvency of Mortgagor or Borrower at the time of application for such receiver and without regard to the then value of the Premises or whether the same shall then be occupied as a homestead or not and Mortgagee hereunder may be appointed as such receiver. Such receiver shall have power: (a) to collect the rents, issues and profits of the Premises and, in case of a foreclosure sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits; (b) to extend or modify any then existing leases and to make new leases, 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 indebtedness secured hereby and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions contained therein, shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the indebtedness secured hereby, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser, and (c)

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all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (a) the indebtedness secured hereby, or by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale, (b) and if this is a leasehold mortgage, all rents due or which may become due under the underlying lease, and (c) the deficiency in the case of a foreclosure sale and deficiency.

SECTION 2.05. Notwithstanding the appointment of any receiver, liquidator or trustee of Mortgagor, or of any of its property, or of the Mortgaged Property or any part thereof, Mortgagee shall be entitled to retain possession and control of all property now or hereafter held under this Mortgage.

SECTION 2.06. No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission of Mortgagee to exercise any right or power accruing upon any Event of Default shall impair any such right or power, or shall be construed to be a waiver of any such Event of Default or any acquiescence therein; and every power and remedy given by this Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expedient by Mortgagee. Nothing in this Mortgage or in the Note shall affect the obligation of Mortgagor to pay the principal of, and interest on, the Note in the manner and at the time and place therein respectively expressed.

SECTION 2.07. Mortgagor will not at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any stay or extension or moratorium law, any exemption from execution or sale of the Mortgaged Property or any part thereof, whatever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Mortgage, nor claim, take or insist upon any benefit or 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 or sales thereof which may be made pursuant to any provision herein, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor, after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted to redeem the property so sold or any part thereof and Mortgagor hereby expressly waives all benefit or advantage of any such law or laws, and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to Mortgagee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. Mortgagor, for itself and all who may claim under it, waives, to the extent that it lawfully may, all right to have the Mortgaged Property marshaled upon any foreclosure hereof. Mortgagor hereby waives any and all rights of redemption from sale under any order of decree of foreclosure of this Mortgage on behalf of Mortgagor, the trust estate, and all persons beneficially interested therein, and each and every person except decree or judgment creditors of Mortgagor in its representative

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capacity and of the trust estate, acquiring any interest in or title to the Premises subsequent to the date of this Mortgage. The forgoing waiver of the right of redemption is made pursuant to the provisions of Section 15-601 of the Illinois Code of Civil Procedure.

No action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and available to the party interposing the same in an action at law upon the Note.

SECTION 2.08. During the continuance of any Event of Default and pending the exercise by Mortgagee of its right to exclude Mortgagor from all or any part of the Premises, Mortgagor agrees to pay the fair and reasonable rental value for the use and occupancy of the Premises or any portion thereof which are in its possession for such period and, upon default of any such payment, will vacate and surrender possession of the Premises to Mortgagee or to a receiver, if any, and in default thereof may be evicted by any summary action or proceeding for the recovery of possession of premises for non-payment of rent, however designated.

SECTION 2.09. In any suit to foreclose the lien hereof (including, to the extent permitted by law, any partial foreclosure) or to enforce any other remedy of Mortgagee under this Mortgage or the Note, there shall be allowed and included as additional indebtedness in the decree for sale or other judgment or decree all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title and value of Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises.

ARTICLE III

MISCELLANEOUS

SECTION 3.01. This Mortgage is intended to constitute a present, absolute and irrevocable assignment of all of the Rents now or hereafter accruing, and Mortgagor, without limiting the generality of the Granting Clause hereof, specifically hereby presently, absolutely and irrevocably assigns all of the Rents now or hereafter accruing to Mortgagee. The aforesaid assignment shall be effective immediately upon the execution of this Mortgage and is not conditioned upon the occurrence of any Event of Default hereunder or any other contingency or event, provided, however, that Mortgagee hereby grants to Mortgagor the right and license to collect and receive the Rents as they become due, and not in advance, so long as no Event of Default exists hereunder. Immediately upon the occurrence of any such Event of Default, the foregoing right and license shall be automatically terminated and of no further force or effect. Nothing contained in this Section 3.01 or elsewhere in this Mortgage shall be construed to make Mortgagee a mortgagee in possession unless and until Mortgagee actually takes possession of the Mortgaged Property, nor to obligate Mortgagee to take any action or incur any expense or discharge

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any duty or liability under or in respect of any leases or other agreements relating to the Mortgaged Property or any part thereof.

SECTION 3.02. This Mortgage constitutes a security agreement under the applicable Uniform Commercial Code with respect to the Chattels and such other of the Mortgaged Property which is personal property. In addition to the rights and remedies granted to Mortgagee by other applicable law or by this Mortgage, Mortgagee shall have all of the rights and remedies with respect to the Chattels and such other personal property as are granted to a secured party under the applicable Uniform Commercial Code.

SECTION 3.03. In the event any one or more of the provisions contained in this Mortgage or in the Note or the Loan Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Mortgage, but this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

SECTION 3.04. No provision of this Mortgage may be changed, waived, discharged or terminated orally or by any other means except an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought. Any agreement hereafter made by Mortgagor and Mortgagee relating to this Mortgage shall be superior to the rights of the holder of any intervening or subordinate lien or encumbrance.

SECTION 3.05. All notices hereunder shall be in writing and shall be deemed to have been sufficiently given or served for all purposes when presented personally or sent by registered or certified mail, at the addresses above stated or at such other address of which a party shall have notified the party giving such notice in writing.

SECTION 3.06. All of the grants, covenants, terms, provisions and conditions herein shall run with the land and shall apply to, bind and inure to the benefit of, the successors and assigns of Mortgagor and the successors and assigns of Mortgagee.

SECTION 3.07. Anything herein or in the Note to the contrary notwithstanding the obligations of Mortgagor under this Mortgage and the Note shall be subject to the limitation that payments of interest shall not be required to the extent that receipt of any such payment by Mortgagee would be contrary to provisions of law applicable to Mortgagee limiting the maximum rate of interest that may be charged or collected by Mortgagee.

SECTION 3.08. This Mortgage may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same mortgage.

SECTION 3.09. If all or any portion of the Premises is located in the State of New York, the covenants and conditions contained herein, other than those included in the New York Statutory Short Form of Mortgage, shall be construed as affording to Mortgagee rights additional

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to, and not exclusive of, the rights conferred under the provisions of Section 254 of the Real Property Law of the State of New York.

SECTION 3.10. Mortgagor and Mortgagee shall, upon their mutual agreement to do so, execute such documents as may be necessary in order to effectuate the modification of this Mortgage, including the execution of substitute mortgages, so as to create two or more liens on the Mortgaged Property in such amounts as may be mutually agreed upon but in no event to exceed, in the aggregate, the Mortgage Amount; in such event, Mortgagor covenants and agrees to pay the reasonable fees and expenses of Mortgagee and its counsel in connection with any such modification.

SECTION 3.11. Unless expressly provided otherwise, in the event that ownership of this Mortgage and title to the fee and/or leasehold estates in the Premises encumbered hereby shall become vested in the same person or entity, this Mortgage shall not merge in said title but shall continue to be and remain a valid and subsisting lien on said estates in the Premises for the amount secured hereby.

SECTION 3.12. MORTGAGOR HEREBY EXPRESSLY AND UNCONDITIONALLY WAIVES, IN CONNECTION WITH ANY FORECLOSURE OR SIMILAR ACTION OR PROCEDURE BROUGHT BY MORTGAGEE ASSERTING AN EVENT OF DEFAULT UNDER SECTION 2.01 OF THIS MORTGAGE, ANY AND EVERY RIGHT IT MAY HAVE TO (I) INJUNCTIVE RELIEF, (II) A TRIAL BY JURY, (III) INTERPOSE ANY COUNTERCLAIM THEREIN AND (IV) HAVE THE SAME CONSOLIDATED WITH ANY OTHER OR SEPARATE SUIT, ACTION OR PROCEEDING. NOTHING HEREIN CONTAINED SHALL PREVENT OR PROHIBIT MORTGAGOR FROM INSTITUTING OR MAINTAINING A SEPARATE ACTION AGAINST MORTGAGEE WITH RESPECT TO ANY ASSERTED CLAIM.

SECTION 3.13. The information set forth on the cover hereof is hereby incorporated herein.

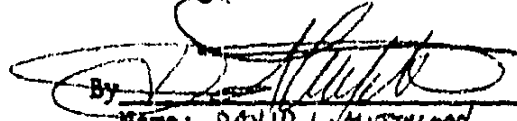
SECTION 3.14. All terms and conditions of the Loan Agreement incorporated herein by reference and all obligations of Mortgagor under the Loan Agreement required to be performed hereunder shall survive the termination of the Loan Agreement.

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IN WITNESS WHEREOF, this Mortgage has been duly executed by Mortgagor.

CREATIVE CARD COMPANY, an Illinois corporation, doing business in Illinois as C/C Sales, Century Engraving & Embossing Company, Century Grant Imprint Center, Century/Regency Greetings, Creative Greeting Cards, G.Y. Industries, Holly Hill Studios and Regency Greetings.

By  [SEAL]
Name: DAVID L. MITTELMAN
Title: v.f.

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STATE OF NEW YORK)

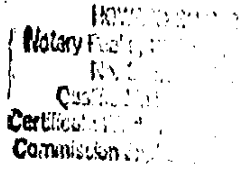
: ss.: 9 0 9 1 1 1 2 1 0

COUNTY OF NEW YORK)

On the 13 day of May, 1993, before me personally came DAVID MITTALMAN, to me known, who, being by me duly sworn, did depose and say that [s]he resides at 2728 PARADISE BLVD NY 11710; that [s]he is the VP PRESIDENT of CREATIVE CARD COMPANY the corporation described in and which executed the foregoing instrument; and that [s]he signed [his] [her] name thereto by authority of the board of directors of said corporation.

[Signature]

Notary Public



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SCHEDULE A

LOTS 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51 AND 52 AND ALSO VACATED ALLEY NORTH OF AND ADJOINING THE NORTH LINE OF LOTS 43 TO 47 BOTH INCLUSIVE AND SOUTH OF AND ADJOINING THE SOUTH LINE OF LOT 48, LYING EAST OF THE WEST LINE OF SAID LOT 48 PRODUCED SOUTH 12 FEET IN LAFLIN AND LOOMIS SUBDIVISION OF BLOCK 6 IN CANAL TRUSTEE'S SUBDIVISION OF THE WEST 1/2 AND THE WEST 1/2 OF THE NORTH EAST 1/4 OF SECTION 17, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Pin : 17-27-101-034
: 1500 West Monroe Street

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SCHEDULE B

POLICY NO.: 1401 007415961 D1

THIS POLICY DOES NOT INSURE AGAINST LOSS OR DAMAGE SUSTAINED BY THE INSURED (AND THE COMPANY WILL NOT PAY COSTS, ATTORNEY'S FEES OR EXPENSES) WHICH ARISE BY REASON OF:

SPECIAL EXCEPTIONS:

A 1. TAXES FOR THE YEARS 1992 AND 1993.

1992 TOTAL AMOUNT BILLED: \$65,313.13.

NOTE: 1992 TAXES 1 ST INSTALLMENT HAS BEEN DEPOSITED

NOTE: 1992 TAXES 2 ND INSTALLMENT WHICH CONSTITUTES AN ACCCRUING LIEN BUT IS NOT YET DUE AND PAYABLE

NOTE: 1993 TAXES NOT DELINQUENT BEFORE MARCH 1, 1994.

VOLUME NO.: 591.

TAX NO.: 17-17-101-034.

- K 2. RIGHTS OF THE PUBLIC AND QUASI-PUBLIC UTILITIES, IF ANY, IN SAID VACATED ALLEY FOR MAINTENANCE THEREIN OF POLES, CONDUITS, SEWERS AND OTHER FACILITIES.
- L 3. TERMS, PROVISIONS, CONDITIONS AND LIMITATIONS OF THE URBAN RENEWAL PLAN KNOWN AS REDEVELOPMENT PLAN AND FEASIBILITY OF RELOCATION FOR NEIGHBORHOOD DEVELOPMENT PROGRAM PROJECT CENTRAL WEST, A COPY OF WHICH WAS RECORDED JULY 15, 1969 AS DOCUMENT 20900204.
- R 4. ENCROACHMENT OF THE BUILDINGS LOCATED ON LOTS 41 AND 42 ONTO THE ADJOINING PUBLIC ALLEY AS DISCLOSED BY SURVEY MADE BY SILANDER & SON DATED MARCH 2, 1993 AS ORDER NUMBER 10903
- S 5. ENCROACHMENT OF THE CONCRETE PAD ONTO THE PUBLIC ALLEY WEST AND ADJOINING LOTS 51 AND 52 AS DISCLOSED BY SURVEY MADE BY SILANDER & SON DATED MARCH 2, 1993 AS ORDER NUMBER 10903
- T 6. ENCROACHMENT OF THE ONE STORY BRICK BUILDING LOCATED ON LOTS 51 AND 52 ONTO THE PUBLIC PROPERTY WEST AND ADJOINING AS DISCLOSED BY SURVEY MADE BY SILANDER & SON MARCH 2, 1993 AS ORDER NUMBER 10903. CAN ENDORSE OVER \$200.00 FOR OWNERS AND LOAN
- AI 7. NOTE: THIS IS A PRO FORMA POLICY FURNISHED TO OR ON BEHALF OF THE PARTY TO BE INSURED. IT DOES NOT REPRESENT THE PRESENT STATE OF TITLE AND IS NOT A COMMITMENT TO INSURE THE ESTATE OR INTEREST AS SHOWN HEREIN, NOR DOES IT EVIDENCE THE WILLINGNESS OF THE COMPANY TO PROVIDE ANY AFFIRMATIVE COVERAGE SHOWN HEREIN. ANY SUCH COMMITMENT MUST BE AN EXPRESS WRITTEN UNDERTAKING ON APPROPRIATE FORMS OF THE COMPANY.

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Return to:
Dewey Ballantine
1301 Avenue of the Americas
New York, New York 10019-6092
c/o Greg Starklin