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This instrument prepared by:
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MORTGAGE, ASSIGNMENT OF LEASES AND SECURITY AGREEMENT

THIS MORTGAGE, ASSIGNMENT OF LEASES AND SECURITY AGREEMENT (this "Mortgage") is made as of the 10th day of September, 1998 by and between JORDAN PHARMACEUTICAL, INC., a California corporation ("Mortgagor"), and SOLOPAK PHARMACEUTICAL, INC., a Delaware corporation, debtor in possession ("Mortgagee"), the address of which is 1845 Tond Road, Elk Grove Village, Illinois.

WITNESSETH:

WHEREAS, Mortgagor is indebted to Mortgagee in the principal sum of Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00), together with interest thereon (the "Loan"), as evidenced by that certain Promissory Note of even date herewith, executed by Mortgagor and delivered to Mortgagee (the "Note"), which by reference is made a part hereof to the same extent as though set out in full herein;

NOW, THEREFORE, to secure the performance by Mortgagor of all covenants and conditions of this Mortgage, the Note, that certain Security Agreement of even date herewith executed by and between Mortgagor and Mortgagee (the "Security Agreement"), and in all other instruments and documents executed, or to be executed, in connection with the Loan, (this Mortgage, the Note, the Security Agreement, and all such other documents, are sometimes referred to herein, collectively, as the "Loan Documents"), and in order to charge the properties, interests and rights hereinafter described with such payment and performance and to secure additional advances, renewals and extensions thereof and for and in consideration of the sum of Ten and No/100 (\$10.00) Dollars, Mortgagor does hereby mortgage, sell, pledge and assign to Mortgagee:

THE MORTGAGED PROPERTY

(A) All of that parcel of land in the County of Cook, State of Illinois, as more particularly described in Exhibit "A" attached hereto and made a part hereof, to have and to hold the same, together with all the improvements now or hereafter erected on such property and all fixtures now or hereafter attached thereto, together with each and every of the tenements, hereditaments, easements, rights, powers, privileges, immunities and appurtenances thereunto belonging or in anywise appertaining and the reversion and reversions, remainder and remainders, and also all the estate, right, title, interest, homestead, right of dower, separate estate, property, possession and claim

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whatsoever in law as well as in equity of Mortgagor of, in and to the same in every part and parcel thereof unto Mortgagee in fee simple.

(B) Together with a security interest in all personal property and fixtures affixed to or located on the property described in paragraph (A).

(C) Together with all rents, issues, profits, revenue, income and other benefits from the property described in paragraph (A) hereof to be applied to the indebtedness secured hereby, provided however, that permission is hereby given to Mortgagor, so long as no default has occurred hereunder, or under any of the Loan Documents, to collect, receive, and use such benefits from the property as they become due and payable, but not in advance thereof.

(D) Everything referred to in paragraphs (A), (B) and (C) hereof and any additional property hereafter acquired by Mortgagor and subject to the lien of this Mortgage or any part of these properties is herein referred to as the "Mortgaged Property".

PROVIDED ALWAYS, that if Mortgagor shall pay to Mortgagee all payments due under the Note at the times and in the manner stipulated therein, and in all other instruments securing the Note, including renewals, extensions or modifications thereof, and fully perform the terms, covenants and conditions of this Mortgage and the other Loan Documents to be kept performed or observed by Mortgagor, then this Mortgage shall cease and be void, but shall otherwise remain in full force and effect.

Mortgagor covenants and agrees with Mortgagee as follows:

1. **Compliance with Note, Mortgage and Security Agreement; Warranty of Title.** Mortgagor shall fully comply with all provisions of the Note, this Mortgage, the Security Agreement and all of the other Loan Documents, and shall promptly pay to Mortgagee the principal, together with interest thereon, due under the Note and all other sums required to be paid by Mortgagor pursuant to the provisions of the Note, this Mortgage, the Security Agreement and all of the other Loan Documents. Mortgagor is indefeasibly seized of the Mortgaged Property in fee simple and Mortgagor has lawful authority to convey, manage, and encumber the same as provided by the Mortgage, and does hereby so warrant.

2. **Payment of Taxes and Liens.** Mortgagor shall pay all the taxes, assessments, levies, liabilities, obligations and encumbrances of every nature now on the Mortgaged Property or that hereafter may be imposed, levied or assessed upon the Note, this Mortgage, any of the other Loan Documents, the Mortgaged Property or upon the indebtedness secured hereby. All such payments shall be made when due and payable according to law before they become delinquent and before any interest attaches or any penalty is incurred. Insofar as any indebtedness is of record the same shall be promptly satisfied and evidence of such satisfaction shall be given to Mortgagee. If required by the Mortgagee, in Mortgagee's sole discretion, Mortgagor shall pay to Mortgagee on the date of such regular installment of principal and interest as required by the Note secured hereby (or on the first day of each month if payments under the Note are due other than monthly), until the Note is fully paid, an amount equal to one-twelfth (1/12) of the yearly taxes and assessments as estimated by the Mortgagee, or such other proportionate share thereof estimated by Mortgagee, to be sufficient to

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enable the Mortgagee to pay at least thirty (30) days before they become due, all taxes, assessments and other similar charges against the Mortgaged Property or any part thereof. Such added payment shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of the Mortgagee, and no interest shall be payable to Mortgagor with respect thereof. Upon demand of the Mortgagee, the Mortgagor agrees to deliver to the Mortgagee such additional monies as are required to make up any deficiencies in the amounts necessary to enable the Mortgagee to pay such taxes, assessments or similar charges. In the event of a default by the Mortgagor in the performance of any of the terms, covenants and conditions of this Mortgage, the Note, the Security Agreement or any of the other Loan Documents, the Mortgagee may apply to the reduction of the principal sum or any other sum secured hereby in such manner as the Mortgagee shall determine, any amount under this Paragraph 2 remaining to the Mortgagor's credit.

3. **Insurance.** Mortgagor shall keep the Mortgaged Property and the improvements now existing or hereafter erected on the Mortgaged Property insured as may be required from time to time by Mortgagee against loss by fire, other hazards and contingencies in such amounts and for such periods as may be required by Mortgagee. Mortgagor shall pay promptly, when due, any premiums on such insurance. All insurance shall be carried with companies approved by Mortgagee and the policy and renewals thereof shall be attached thereto loss payable clauses in favor and in form acceptable to Mortgagee. In the event of loss, Mortgagor shall give immediate notice by mail to Mortgagee and Mortgagee may make proof of loss if not made promptly by Mortgagor. Each insurance company concerned is hereby authorized and directed to make payments for such loss directly to Mortgagee instead of either to Mortgagor or Mortgagor and Mortgagee jointly. Insurance proceeds or any part thereof may be applied by Mortgagee at its option, after deducting therefrom all its expenses, including, without limitation, attorney's fees, either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. Mortgagee is hereby authorized, at its option, to settle and compromise any claims, awards, damages, rights of action and proceeds, and any other payment or relief under any insurance policy. In the event of foreclosure of this Mortgage or other transfer of title to the Mortgaged Property in extinguishment of the indebtedness secured hereby, all right, title, and interest of Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee. Mortgagee may, at its option, require Mortgagor to deposit with Mortgagee on the first day of each month, in addition to making payments of principal and interest, until the Note is fully paid, an amount equal to one-twelfth (1/12) of the yearly premiums for all insurance. Such deposits shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of Mortgagee, and no interest shall be payable in respect thereof. Upon demand by Mortgagee, Mortgagor shall deliver to Mortgagee such additional monies as are necessary to make up any deficiencies in the amounts necessary to enable Mortgagee to pay such premiums when due. In the event of default under any of the terms, covenants and conditions in the Note, this Mortgage, the Security Agreement or any of the other Loan Documents to be performed or observed by Mortgagor, Mortgagee may apply to the reduction of the sums secured hereby, in such manner as Mortgagee shall determine, any amount under this paragraph remaining to Mortgagor's credit and any return premium received from cancellation of any insurance policy by Mortgagee upon foreclosure of this Mortgage.

4. **Condemnation.** If the Mortgaged Property or any part thereof shall be damaged or taken through condemnation (which term when used herein shall include any damage or taking by any governmental authority or any other authority authorized by the laws of the State of Illinois or

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the United States of America to so damage or take, and any transfer by private sale in lieu thereof), either temporarily or permanently, the entire indebtedness and other sums secured hereby shall, at the option of Mortgagee, become immediately due and payable. Mortgagee shall be entitled to all condemnation awards, damages, claims, rights of action and proceeds of, or on account of any damage or taking through condemnation and is hereby authorized, at its option, to commence, appear in and prosecute, in its own or Mortgagor's name, any action or proceeding relating to any condemnation, and to settle or compromise any claim in connection therewith. All such condemnation awards, damages, claims, rights of action and proceeds, and any other payments or relief, and the right thereto, are hereby assigned by Mortgagor to Mortgagee and Mortgagee, after deducting therefrom all its expenses, including, without limitation, attorneys' fees, may release any monies so received by it without affecting the lien of this Mortgage or may apply the same in such manner as Mortgagee shall determine, to the reduction of the sums secured hereby and to any prepayment charge provided in the Note, this Mortgage, the Security Agreement or any of the other Loan Documents. Any balance of such monies then remaining shall be paid to Mortgagor. Mortgagor agrees to execute such further assignments of any condemnation awards, damages, claims, rights of action and proceeds as Mortgagee may require.

5. **Care of Mortgaged Property.** Mortgagor shall not remove or demolish any building or other property forming a part of the Mortgaged Property without the prior written consent of Mortgagee. Mortgagor shall not permit, commit, or suffer any waste, impairment or deterioration of the Mortgaged Property or any part thereof, and shall keep the same and all improvements thereon in good condition and repair. Mortgagor shall notify Mortgagee in writing within five (5) days of any damage or impairment of the Mortgaged Property. Mortgagee may, at Mortgagee's discretion, have the Mortgaged Property inspected at any time and Mortgagor shall pay all costs incurred by Mortgagee in executing such inspection.

6. **Mortgagee's Right to Make Certain Payments.** In the event Mortgagor fails to pay or discharge any and all taxes, assessments, levies, liabilities, obligations and encumbrances in any way affecting or appertaining to the Mortgaged Property or any of the Loan Documents or the indebtedness secured hereby, or fails to keep the Mortgaged Property insured or to deliver the policies, premiums paid, or fails to repair the Mortgaged Property as herein agreed, Mortgagee may, at its option, pay or discharge such taxes, assessments, levies, liabilities, and obligations and encumbrances, or any part thereof, procure and pay for such insurance or make and pay for such repairs. Mortgagee shall have no obligation on its part to determine the validity or necessity of any such payment and any such payment shall not waive or affect any option, lien, equity or right of Mortgagee under or by virtue of this Mortgage or any of the Loan Documents. The full amount of each and every such payment shall be immediately due and payable and shall bear interest from the date thereof until paid at the Default Rate, as hereinafter defined, and together with such interest, shall be secured by the lien of this Mortgage and any other instrument securing the Note. Nothing herein contained shall be construed as requiring Mortgagee to advance or expend monies for any of the purposes mentioned in this paragraph.

7. **Payment of Expenses.** Mortgagor shall pay all the costs, charges and expenses, including, without limitation, reasonable attorneys' fees, disbursements and cost of abstracts of title, incurred or paid at any time by Mortgagee due to the failure on the part of Mortgagor to promptly and fully perform, comply with and abide by each and every stipulation, agreement, condition and

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covenant of the Note, this Mortgage, the Security Agreement and all of the other Loan Documents. Such costs, charges and expenses shall be immediately due and payable, whether or not there be notice, demand, attempt to collect or suit pending. The full amount of each and every such payment shall bear interest from the date thereof until paid at the Default Rate, as hereinafter defined. All such costs, charges and expenses so incurred or paid together with such interest, shall be secured by the lien of this Mortgage and any other instrument securing the Note.

8. **After Acquired Property.** The lien of this Mortgage shall automatically attach, without further act, to all after acquired property of whatever kind located in, on, attached to, or used, or intended to be used, in connection with or in the operation of the Mortgaged Property.

9. **Additional Documents.** At all times during which this Mortgage is in effect, upon Mortgagee's request, Mortgagor shall make, execute and deliver or cause to be made, executed and delivered to Mortgagee, and, where appropriate, shall cause to be recorded or filed and thereafter to be re-recorded or refiled at such time and in such places as shall be deemed desirable by Mortgagee, any and all such further mortgages, instruments of further assurance, certificates and other documents as Mortgagee may consider necessary or desirable in order to effectuate, complete, enlarge, perfect, or to continue and preserve the obligations of Mortgagor under the Note, this Mortgage, and all of the other Loan Documents, and the lien of this Mortgage as a valid and prior lien upon all the Mortgaged Property. Upon any failure by Mortgagor to do so, Mortgagee may make, execute, record, file, re-record, or refile any and all such mortgages, instruments, certificates and documents for and in the name of Mortgagor. Mortgagor hereby irrevocably appoints Mortgagee as agent and attorney-in-fact of Mortgagor, which appointment is coupled with an interest, to do all things necessary to effectuate or assure compliance with this paragraph.

10. **Event of Default.** Any one of the following shall constitute an event of default hereunder.

(a) Failure by Mortgagor to pay, as and when due and payable pursuant to the terms of the Note, any installments of principal or interest due under the Note, or any deposits for taxes and assessments or insurance premiums due hereunder, or any other sums to be paid by Mortgagor under the Note, this Mortgage, the Security Agreement or any of the other Loan Documents.

(b) Failure by Mortgagor to duly keep, perform and observe any other covenant, condition or agreement in the Note, this Mortgage, the Security Agreement, or any of the other Loan Documents.

(c) If either Mortgagor or any guarantor or endorser of the Note: (i) files a voluntary petition in bankruptcy, (ii) is adjudicated a bankrupt or insolvent; or (iii) files any petition or answer seeking or acquiescing in any reorganization, management, composition, readjustment, liquidation, dissolution or similar relief for itself under any law relating to bankruptcy, insolvency or other relief for debtors, or (iv) seeks or consents to or acquiesces in the appointment of any trustee, receiver, master or liquidator of itself or of all or any substantial part of the Mortgaged Property or of any or all of the rents, revenues, issues, earnings, profits or income thereof, or (v) makes any general assignment for the benefit of creditors, or (vi) makes any admission in writing

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of its inability to pay its debts generally as they become due; or (vii) a court of competent jurisdiction enters an order, judgment or decree approving a petition filed against Mortgagor or any guarantor or endorser of the Note, seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state, or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, which order, judgment or decree remains unvacated and unstayed for an aggregate of sixty (60) days whether or not consecutive from the date of entry thereof; or (viii) any trustee, receiver or liquidator of Mortgagor of all or any substantial part of the Mortgaged Property or of any or all of the rents, revenues, issues, earnings, profits or income thereof, is appointed without the prior written consent of Mortgagee, which appointment shall remain unvacated and unstayed for an aggregate of sixty (60) days whether or not consecutive.

(d) Any breach of any warranty or material untruth of any representation of Mortgagor contained in the Note, this Mortgage, the Security Agreement, or any of the other Loan Documents.

(e) The occurrence of any default under the terms of any mortgage or other security instrument which creates a lien or other security interest on or in the Mortgaged Property.

(f) Any sale or conveyance or pledge of the Mortgaged Property or any portion thereof by the Mortgagor.

11. **Acceleration.** If an event of default shall have occurred, Mortgagee may declare the outstanding principal amount of the Note and all interest accrued thereon, and all other sums secured hereby, to be due and payable immediately. Upon such declaration, such principal and interest and other sums shall immediately be due and payable without demand or notice.

12. **Remedies after Default.** Upon the occurrence of a default hereunder, Mortgagee may proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy to: (i) enforce payment of the Note or the performance of any term hereof or any other right; (ii) foreclose this Mortgage and sell, as an entirety or in separate lots or parcels, the Mortgaged Property under the judgment or decree of a court or courts of competent jurisdiction; (iii) collect all rents, issues, profits, revenue, income and other benefits from the Mortgaged Property; (iv) appoint a receiver to enter upon and take possession of the Mortgaged Property and to collect all rents, issues, profits, revenue, income, and other benefits thereof and apply the same as a court may direct and such receiver shall have all rights and powers permitted under law; and (v) pursue any other remedy available to it including, but not limited to, taking possession of the Mortgaged Property without notice or hearing to Mortgagor. Mortgagee shall take action either by such proceedings or by the exercise of its power with respect to entry or taking possession, or both, as Mortgagee may determine.

13. **Assignment of Leases.** As further security for the Loan, Mortgagor hereby transfers, assigns and sets over to Mortgagee, its successors and assigns, all the right, title, interest and privilege which Mortgagor, as lessor, has and may have in the leases (collectively, the "Leases") now existing or hereafter made and affecting the Mortgaged Property, or any part thereof, as the Leases may have been or may, from time to time, be hereafter modified, extended and renewed, with all

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rents, income and profits due and becoming due therefrom. Mortgagor will, on request of Mortgagee, execute and deliver assignments in recordable form (together with UCC-1 Financing Statements) of any future Leases affecting any part of the Mortgaged Property. In addition, Mortgagor hereby assigns to Mortgagee any award made hereafter to it in any court procedure involving any of the Leases in any bankruptcy, insolvency or reorganization proceedings in any state or federal court, and any and all payments made by lessees in lieu of rent. Mortgagor hereby grants to Mortgagee an irrevocable power-of-attorney, coupled with an interest, to appear in any action and/or to collect any such award or payment.

The collection of rents or payments under the Leases hereby assigned shall not constitute a waiver of any rights of Mortgagee under the terms of this Mortgage, the Note, or any of the other Loan Documents. It is expressly understood and agreed by Mortgagor and Mortgagee that before any default occurs under the terms of this Mortgage, Mortgagor shall have the right to collect said rents, income and profits from the Leases and to retain, use and enjoy the same.

In the event of default in the performance of any of the terms and conditions of the Note, this Mortgage, or any of the Loan Documents, Mortgagor hereby authorizes Mortgagee, at its option, to (a) enter and take possession of the Mortgaged Property; (b) manage and operate the Mortgaged Property; (c) collect all or any rents accruing therefrom and from the Leases; (d) let or relet the Mortgaged Property or any part thereof; (e) cancel and modify leases, evict tenants, bring or defend any suits in connection with the possession of the Mortgaged Property in its own name or Mortgagor's name; (f) make repairs as Mortgagee deems appropriate; and (g) perform such other acts in connection with the management and operation of the Mortgaged Property as Mortgagee, in its sole discretion, deems proper.

The receipt by Mortgagee of any rents, issues or profits pursuant hereto after the institution of foreclosure proceedings under the Mortgage shall not cure such default nor affect such proceedings or any sale pursuant thereto.

Mortgagee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by Mortgagor under any of the Leases, and Mortgagor hereby agrees to indemnify Mortgagee for, and to hold Mortgagee harmless from, any and all liability arising from any of the Leases, or Mortgagee's possession, operation, management or maintenance of the Mortgaged Property, and the provisions hereof shall not place responsibility for the control, care, management or repair of the Mortgaged Property upon Mortgagee, or make Mortgagee responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Mortgaged Property, resulting in loss, injury or death to any person.

14. **No Waiver.** No delay or omission of Mortgagee or of any holder of the Note to exercise any right, power or remedy accruing upon the occurrence of any default shall exhaust or impair any such right, power or remedy or shall be construed to waive any event of default or to constitute acquiescence therein.

15. **Non-Exclusive Remedies.** No right, power or remedy conferred upon or reserved to Mortgagee by the Note, this Mortgage, the Security Agreement, or any of the other Loan Documents is exclusive of any other right, power or remedy, but each and every such right, power

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and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder, under the Note, the Security Agreement, or any of the other Loan Documents, now or hereafter existing at law, in equity or by statute.

16. **Successors and Assigns Bound.** Whenever one of the parties hereto is named or referred to herein, the heirs, successors and assigns of such party shall be included and all covenants and agreements contained in this Mortgage, by or on behalf of Mortgagor or Mortgagee, shall bind and inure to the benefits of their respective heirs, successors and assigns, whether or not so expressed.

17. **Miscellaneous.** In the event that any of the covenants, agreements, terms or provisions contained in the Note, this Mortgage, the Security Agreement, or any of the other Loan Documents shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein, in the Note, the Security Agreement, or any of the other Loan Documents shall in no way be affected, prejudiced or disturbed thereby.

18. **Attorneys' Fees.** The term "attorney's fees" as used in this Mortgage includes any and all legal fees of whatever nature including, but not limited to, fees resulting from any appeal of an interlocutory order or final judgment or any other appellate proceeding arising out of any litigation.

19. **Obligation of Mortgagor.** Mortgagor shall pay the cost of releasing or satisfying this Mortgage of record.

20. **No Transfer.** It is understood and agreed by Mortgagor that as part of the inducement to Mortgagee to make the loan evidenced by the Note, Mortgagee has considered and relied on the credit worthiness and reliability of Mortgagor. Mortgagor covenants and agrees not to sell, convey, transfer, or further encumber any interest in or any part of the Mortgaged Property without the prior written consent of the Mortgagee, and any such sale, conveyance, transfer, or encumbrance made without Mortgagee's prior written consent shall constitute an event of default hereunder. It is further understood and agreed that any sale, conveyance or pledge of any interest of the Mortgagor to any other entity, individual, firm, partnership or corporation without the Mortgagee's prior written consent shall constitute an event of default hereunder. A contract to deed or agreement for deed or assignment of beneficial interest in any trust shall constitute a transfer pursuant to the provisions of this Paragraph. If any person or entity should obtain any interest in all or any part of the Mortgaged Property pursuant to the execution or enforcement of any lien, or pursuant to the execution or enforcement of any lien, security interest or other right, whether superior, equal or subordinate to this Mortgage or the lien hereof, such event shall be deemed to be a transfer by Mortgagor and an event of default hereunder.

21. **Default Rate.** The Default Rate shall be the highest rate permitted by applicable law.

22. **Hazardous or Toxic Materials.** The Mortgagor warrants and represents that the Mortgaged Property has not in the past been used, is not presently being used, and will not in the future be used for the handling, storage, transportation or disposal of hazardous or toxic materials. The Mortgagor does hereby indemnify and holds harmless the Mortgagee from and against any loss

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to the Mortgagee (including without limitation attorneys' fees) incurred by the Mortgagee as a result of such past, present or future use, handling, storage, transportation, or disposal of hazardous or toxic materials. The Mortgagee, at Mortgagee's sole option, at any time, may obtain, at the Mortgagor's expense, a report or reports from reputable environmental consultants of the Mortgagee's choice indicating whether the Mortgaged Property has been or at any time is being used for the handling, storage, transportation, or disposal of hazardous or toxic materials. In the event the Mortgagee requests such a report and said report indicates such past or present use, handling, storage, transportation, or disposal, the Mortgagee, in its sole discretion, may require that all violations of law with respect to hazardous or toxic materials be corrected forthwith and/or that the Mortgagor obtain all necessary environmental permits. Failure of the Mortgagor to promptly take such curative action as required by the Mortgagee may, at the option of the Mortgagee, be deemed an event of default under Paragraph 10 above. Notwithstanding the fact that the Mortgagee may have obtained such a report at or prior to the execution hereof, the Mortgagee may, from time to time, obtain additional reports if it deems, in its sole discretion, that such reports are necessary or appropriate.

23. **Compliance with Illinois Mortgage Foreclosure Law.**

(a) In the event that any provision in this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law (Chapter 735, Sections 5/15-1101 *et seq.*, Illinois Compiled Statutes) (herein called "IMFL") the provisions of IMFL shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provisions of this Mortgage that can be construed in a manner consistent with IMFL.

(b) If any provision of this Mortgage shall grant to Mortgagee (including Mortgagee acting as a mortgagee-in-possession) or a receiver appointed pursuant to the provisions of Paragraph 12 of this Mortgage any powers, rights or remedies prior to, upon or following the occurrence of an Event of Default which are more limited than the powers, rights or remedies that would otherwise be vested in Mortgagee or in such receiver under IMFL in the absence of said provision, Mortgagee and such receiver shall be vested with the powers, rights and remedies granted in IMFL to the full extent permitted by law.

(c) Without limiting the generality of the foregoing, all expenses incurred by Mortgagee which are of the type referred to in Section 5/15-1512 of IMFL, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in any specific Paragraph of this Mortgage, shall be added to the indebtedness secured by this Mortgage and/or by the judgment of foreclosure.

24. **Invalidity of Provisions; Governing Law.** In the event that any provision of this Mortgage is deemed to be invalid by reason of the operation of law, or by reason of the interpretation placed thereon by any administrative agency or any court, Mortgagor and Mortgagee shall negotiate an equitable adjustment in the provisions of the same in order to effect, to the maximum extent permitted by law, the purpose of this Mortgage and the validity and enforceability of the remaining provisions, or portions or applications thereof, shall not be affected thereby and shall remain in full force and effect. This Mortgage is to be construed in accordance with and governed by the laws of the State of Illinois.

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25. **Municipal and Zoning Requirements.** Mortgagor shall not, by act or omission, permit any building or other improvement on premises not subject to the lien of this Mortgage to rely on the Mortgagee Property or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Mortgagee Property or any interest therein to be so used. Similarly, no building or other improvement on the forming Party of the Mortgagee Property shall rely on any premises not subject to the lien of this Mortgage or any interest therein to fulfill any governmental or municipal requirement. Mortgagor shall not, by act or omission, alter the zoning classification of the Mortgagee Property in effect as of the date hereof, nor shall Mortgagor impair the integrity of the Mortgagee Property as a single zoning lot separate and apart from all other premises. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this subparagraph shall be void.

26. **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 Mortgagee Property having an interest in the Mortgagee Property prior to that of Mortgagee. The failure to join any such tenant or tenants of the Mortgagee 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 indebtedness secured hereby, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Mortgagee Property, any statute or rule of law at any time existing to the contrary notwithstanding.

27. **Option of Mortgagee to Subordinate.** At the option of Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any condemnation or eminent domain award) to any and all leases of all or any part of the Mortgagee Property upon the execution by Mortgagee of a unilateral declaration to that effect and the recording thereof in the Office of the Recorder of Deeds in and for the county wherein the Mortgagee Property is situated.

28. **Mortgagee in Possession.** Nothing herein contained shall be construed as constituting Mortgagee a mortgagee in possession in the absence of the actual taking of possession of the Mortgagee Property by Mortgagee pursuant to this Mortgage.

29. **Relationship of Mortgagee and Mortgagor.** Mortgagor shall in no event be construed for any purpose to be a partner, joint venturer, agent or associate of Mortgagee or of any lessee, operator, concessionaire or licensee of Mortgagee in the conduct of their respective businesses, and, without limiting the foregoing, Mortgagee shall not be deemed to be such partner, joint venturer, agent or associate on account of Mortgagee becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage, any of the other Loan Documents, or otherwise.

30. **Time of the Essence.** Time is of the essence of the payment by Mortgagor of all amounts due and owing to Mortgagee under the Note and the other Loan Documents and the performance and observance by Mortgagor of all terms, conditions, obligations and agreements contained in this Mortgage and the other Loan Documents.

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31. **No Merger.** It being the desire and intention of the parties hereto that the Mortgage and the lien hereof do not merge in fee simple title to the Mortgagee Property, it is hereby understood and agreed that should Mortgagee acquire any additional or other interest in or to the Mortgagee Property or the ownership thereof, then, unless a contrary intent is manifested by Mortgagee as evidenced by an express statement to that effect in any appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title and this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

32. **Subordination.** Notwithstanding anything to the contrary contained herein, the lien, rights and remedies granted or created by this Mortgage are junior, subject and subordinate to those granted or created by that certain Mortgage recorded or to be recorded contemporaneously in the Office of the Recorder of Deeds in and for Cook County, Illinois and that certain Security Agreement each dated September 10th, 1998 and executed by Debtor in favor of LaSalle National Bank, N.A. (the "Prior Security Documents"), as thereafter amended from time to time. If there is any indisputable conflict or inconsistency between any requirements or obligations set forth in this Security Agreement and any requirements or obligations set forth in the Prior Security Documents, the requirements and obligations of the Prior Security Documents shall govern, and compliance by Debtor with such requirements and obligations shall not be deemed an Event in Default hereunder.

33. **JURISDICTION AND VENUE.** MORTGAGOR HEREBY AGREES THAT ALL ACTIONS OR PROCEEDINGS INITIATED BY MORTGAGOR AND ARISING DIRECTLY OR INDIRECTLY OUT OF THIS MORTGAGE SHALL BE LITIGATED IN THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF FLORIDA HAVING JURISDICTION OVER MORTGAGEE'S BANKRUPTCY CASE OR, IF MORTGAGEE INITIATES SUCH ACTION, ANY COURT IN WHICH MORTGAGEE SHALL INITIATE SUCH ACTION AND WHICH HAS JURISDICTION. MORTGAGOR HEREBY EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED BY MORTGAGEE IN ANY OF SUCH COURTS, AND HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS AND COMPLAINT, OR OTHER PROCESS OR PAPERS ISSUED THEREIN, AND AGREES THAT SERVICE OF SUCH SUMMONS AND COMPLAINT OR OTHER PROCESS OR PAPERS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO MORTGAGOR AT THE ADDRESS TO WHICH NOTICES ARE TO BE SENT PURSUANT TO THIS MORTGAGE. MORTGAGOR WAIVES ANY CLAIM THAT THE SOUTHERN DISTRICT OF FLORIDA IS AN INCONVENIENT FORUM OR AN IMPROPER FORM BASED ON LACK OF VENUE. SHOULD MORTGAGOR, AFTER BEING SO SERVED, FAIL TO APPEAR OR ANSWER TO ANY SUMMONS, COMPLAINT, PROCESS OR PAPERS SO SERVED WITHIN THE NUMBER OF DAYS PRESCRIBED BY LAW AFTER THE MAILING THEREOF, MORTGAGOR SHALL BE DEEMED IN DEFAULT AND AN ORDER AND/OR JUDGMENT MAY BE ENTERED BY MORTGAGEE AGAINST MORTGAGOR AS DEMANDED OR PRAYED FOR IN SUCH SUMMONS, COMPLAINT, PROCESS OR PAPERS. THE EXCLUSIVE CHOICE OF FORUM FOR MORTGAGOR SET FORTH IN THIS PARAGRAPH SHALL NOT BE DEEMED TO PRECLUDE THE ENFORCEMENT, BY MORTGAGEE, OF ANY JUDGMENT OBTAINED IN ANY OTHER FORUM OR THE TAKING, BY MORTGAGEE, OF ANY ACTION TO ENFORCE THE SAME IN ANY OTHER APPROPRIATE

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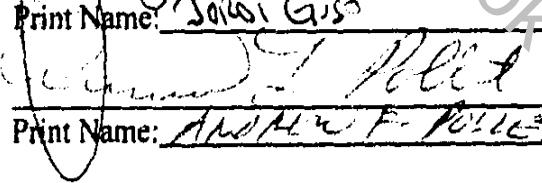
JURISDICTION, AND MORTGAGOR HEREBY WAIVES THE RIGHT, IF ANY, TO COLLATERALLY ATTACK ANY SUCH JUDGMENT OR ACTION.

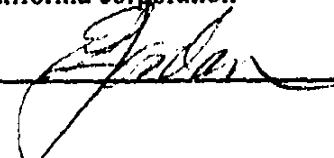
34. WAIVER OF RIGHT TO JURY TRIAL. MORTGAGEE AND MORTGAGOR ACKNOWLEDGE AND AGREE THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE LOAN DOCUMENTS OR WITH RESPECT TO THE TRANSACTIONS CONTEMPLATED HEREIN AND THEREIN WOULD BE BASED UPON DIFFICULT AND COMPLEX ISSUES AND THEREFORE, THE PARTIES AGREE THAT ANY COURT PROCEEDING ARISING OUT OF ANY SUCH CONTROVERSY WILL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

IN WITNESS WHEREOF, this instrument has been executed on the date first above written.

Signed, sealed and delivered in the presence of:

MORTGAGOR
JORDAN PHARMACEUTICALS, INC.,
a California corporation

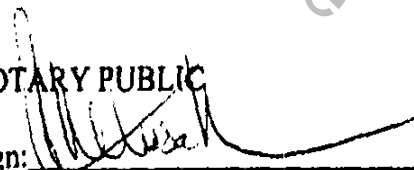

Print Name: Sarah Guss

Print Name: Andrew F. Pollet


Address:
20612 Canada Road
Lake Forest, California 92630

STATE OF Illinois
COUNTY OF Cook) SS:

The foregoing instrument was acknowledged before me this 10th day of September, 1998, by Earl Jordan, as President of Jordan Pharmaceuticals, Inc., a California corporation, on behalf of said corporation, who is personally known to me or who has produced photo ID as identification.



NOTARY PUBLIC
Sign: 
Print: Melissa L. Clark

My Commission Expires:

(SEAL)

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EXHIBIT "A"

LEGAL DESCRIPTION

LOT 341 IN CENTEX INDUSTRIAL PARK, UNIT 208, BEING A SUBDIVISION
IN SECTION 34, TOWNSHIP 41 NORTH, RANGE 11 EAST, OF THE THIRD
PRINCIPAL MERIDIAN, IN COOK COUNTY ILLINOIS

Property

Plan # 08-34-300-052

CL 1A 1645 Home Rd
Elk Grove Village, IL 60007

Cook County Clerk's Office

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