

STATE OF ALABAMA)

Source of Title for Tuscaloosa
County Real Estate: DB 981 PG 554.

TUSCALOOSA, SHELBY, BUTLER COUNTIES)

This instrument was prepared by:

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After recording please return to above address.

JUNIOR MORTGAGE
AND
ABSOLUTE ASSIGNMENT OF LEASES AND RENTS
AND FIXTURE FILING

THIS JUNIOR MORTGAGE AND ABSOLUTE ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING (hereinafter referred to as this "**Security Instrument**") is made and entered into as of this 26th day of February, 2003, by **WICKES INC.**, a corporation organized under the laws of the State of Delaware, as grantor or mortgagor (hereinafter referred to as "**Mortgagor**"), Mortgagor having its principal place of business at 706 N. Deerpath Drive, Vernon Hills, Illinois 60061, to **HSBC BANK USA**, a banking corporation and trust company organized under the laws of the State of New York, as Trustee for the Holders (hereinafter referred to as the "**Lenders**") holding **Securities** issued pursuant to the **Indenture** (defined herein), as grantee or mortgagee (hereinafter referred to as "**Trustee**"), Trustee having its principal corporate trust offices at 452 Fifth Avenue, New York, New York 10018.

WITNESSETH:

UNLESS THE CONTEXT OTHERWISE REQUIRES, ALL CAPITALIZED TERMS USED BUT NOT DEFINED HEREIN SHALL HAVE THE MEANINGS SET FORTH IN THE INDENTURE.

THAT FOR AND IN CONSIDERATION OF TEN AND NO/100 DOLLARS (\$10.00) AND OTHER GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency whereof are hereby acknowledged by Mortgagor, and in order to secure the Obligations (as hereinafter defined), Mortgagor

hereby grants, bargains, sells, assigns and conveys unto the Trustee, and hereby grants to the Trustee, a security interest in, all of the Mortgagor's right, title and interest in, to and under the following property and interests in property, for the ratable benefit of the Trustee and the Lenders, and their respective successors and assigns, with MORTGAGE COVENANTS, all of the following described property (hereinafter collectively referred to as the "Property"):

(a) All that certain tract or parcel of land more particularly described in Exhibit A attached hereto and by this reference made a part hereof, together with all right, title and interest of Mortgagor, including any after-acquired title or reversion, in and to the rights-of-ways, streets, and alleys adjacent thereto, and all easements, rights-of-way, licenses, operating agreements, strips and gores of land, vaults, streets, ways, alleys, passages, sewers, sewer rights, waters, water courses, water rights and powers, oil, gas and other minerals, flowers, shrubs, crops, trees, timber and other emblements now or hereafter located on the land or under or above same, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way belonging, relating to or appertaining to said tract or parcel of land or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Mortgagor and the reversion and reversions, remainder and remainders, and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of the Mortgagor of, in and to the same (hereinafter referred to as the "Land"); and

(b) All buildings, structures, parking areas, landscaping, and other improvements of every nature now or hereafter situated, erected or placed on the Land (hereinafter referred to as the "Improvements"); and

(c) All fixtures as defined in the Uniform Commercial Code as enacted in the state where the Land is located (as amended and in effect from time to time, the "UCC"), and all materials intended for construction, reconstruction, alteration and repairs of the Improvements, including, but not limited to, all gas and electric fixtures, radiators, heaters, furnaces, engines and machinery, boilers, ranges, ovens, elevators and motors, bathtubs, sinks, commodes, basins, pipes, faucets and other plumbing, heating and air conditioning equipment, mirrors, refrigerating plant, refrigerators, iceboxes, dishwashers, carpeting, floor coverings, furniture, light fixtures, signs, lawn equipment, water heaters, and cooking apparatus and appurtenances owned by Mortgagor and located in, on or about the Land or the Improvements, whether installed in such a way as to become a part thereof or not, including all extensions, additions, improvements, betterments, renewals and replacements of any of the foregoing and all the right, title and interest of Mortgagor in and to any of the foregoing, now owned or hereafter acquired by Mortgagor, all of which are hereby declared and shall be deemed to be fixtures and accessions to the freehold and a part of the Improvements as between the parties hereto and all persons claiming by, through or under them (hereinafter referred to as the "Personal Property"); and

(d) All right, title and interest of Mortgagor in and to all policies of insurance, licenses, franchises, permits, service contracts, maintenance contracts, property management agreements, and equipment leases which in any way now or hereafter belong, relate or appertain to the Land, the Improvements or the Personal Property or any part thereof now owned or hereafter acquired by Mortgagor, including, without limitation, all condemnation payments, insurance proceeds and escrow funds (hereinafter referred to as the "Intangible Property"); and

(e) All present and future leases, tenancies, occupancies and licenses, whether written or oral ("Leases") of the Land, the Improvements, the Personal Property and the Intangible Property, or any combination or part thereof, and all income, rents, issues, royalties,

profits, revenues, security deposits and other benefits of the Land, the Improvements, the Personal Property and the Intangible Property, from time to time accruing, all payments under Leases, and all payments on account of oil and gas and other mineral Leases, working interests, production payments, royalties, overriding royalties, rents, delay rents, operating interests, participating interests and other such entitlements, and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of Mortgagor of, in and to the same (hereinafter referred to as the "Revenues"); and

(f) All the right, title, interest of Mortgagor in and to all construction contracts, subcontracts, architectural agreements, labor, material and payment bonds, guaranties and warranties, and plans and specifications relating to the construction of Improvements on the Land, whether now or hereafter existing, including, without limitation (i) any architectural or engineering agreement entered into with respect to the design of said Improvements and other architectural or engineering services, (ii) the plans and specifications for the construction of said Improvements prepared by the architect, and (iii) any contractor's agreement entered into with respect to construction of Improvements on the Land (hereinafter collectively referred to as the "Contracts"); and

(g) All proceeds, products, substitutions and accessions of the foregoing of every type.

TO HAVE AND TO HOLD the Property and all parts, rights, members and appurtenances thereof, to the use, benefit and behoof of Trustee, for the ratable benefit of the Trustee and the Lenders, and their respective successors and assigns, in fee simple forever; and Mortgagor covenants that Mortgagor is lawfully seized and possessed of the Property and holds marketable fee simple absolute title to the same and has good right to convey the Property and that the conveyances in this Security Instrument are subject to only the **Senior Liens** (as defined in the Indenture, as hereinafter defined) as further set forth hereinafter and liens existing on the date of this Security Instrument, as reflected in the following title commitments, as marked-up and issued by First American Title Insurance Company: (a) title commitment number 7114 (NCS -11258), dated January 15, 2003 (b) title commitment number 6767.2042 (NCS-11254), dated January 15, 2003; and (c) title commitment number 142274 (NCS-11257), dated January 27, 2003 (hereinafter referred to as the "Approved Liens").

This Security Instrument is intended to constitute: (i) a mortgage and security agreement, a security agreement and financing statement under the UCC, and (ii) a notice of assignment of rents or profits under Alabama law. This Security Instrument is also intended to operate and be construed as an absolute present assignment of the rents, issues and profits of the Property, Trustee hereby agreeing, as provided for in Alabama law, that Mortgagor is entitled to receive the rents, issues and profits of the Property prior to an Event of Default and without entering upon or taking possession of the Property. This Security Instrument is intended by Mortgagor and Trustee to serve as a fixture filing with respect to all goods and collaterals comprising part of the Property which are or are to become fixtures related to the Land. The goods are described by item or type in paragraphs (a) through (g) above. The Mortgagor is the debtor, and the Trustee is the secured party. The names of the debtor (Mortgagor) and the secured party (Trustee) are given in the first paragraph of this Security Instrument. This Security Instrument is signed by the debtor (Mortgagor) as a fixture filing. The mailing address of the Trustee set out in the first paragraph of this Security Instrument is an address of the secured party from which information concerning the security interest may be obtained. The mailing address of the Mortgagor set out in first paragraph of this Security Instrument is the mailing address for the debtor. The real estate to which the goods are or are to be affixed is described in Exhibit A. The Mortgagor is a record owner of the real estate.

This Security Instrument is given to secure the payment and performance of all obligations for principal, premium, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness (as herein defined) ("**Obligations**"), including, without limitation, any and all additional advances made by Trustee to protect or preserve the Property or the security interest created hereby on the Property, or for taxes, assessments or insurance premiums as hereinafter provided, or for performance of any of Mortgagor's obligations hereunder, or under the Indenture or Securities, or for any other purpose provided herein or in the Indenture or Securities (whether or not the original Mortgagor remains the owner of the Property at the time of such advances). "**Indebtedness**" shall mean with respect to any Person (as such term is defined in that certain **Indenture** dated as of the date hereof by and between the Mortgagor and the Trustee, as amended from time to time and as further amended (as further modified, amended, supplemented or restated, hereinafter referred to as the "**Indenture**", the Indenture, Securities, this Security Instrument and the Security Agreement executed the same date hereof are collectively referred to as the "**Security Documents**"), without duplication, (i) all Obligations of such Person for borrowed money, (ii) all Obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all Capitalized Lease Obligations (as defined in the Indenture) of such Person, (iv) all Obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all Obligations under any title retention agreement (but excluding trade accounts payable arising in the ordinary course of business), (v) all Obligations for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction, (vi) all Indebtedness of others guaranteed by such Person, (vii) all obligations of such Person in respect of letters of credit or other similar instruments (or reimbursement obligations with respect thereto), (viii) Interest Swap Obligations, (ix) all Obligations of any other Person of the type referred to in clauses (i) through (viii) which are secured by any Lien on any property or asset of such first referred to Person, the amount of such Obligation being deemed to be the lesser of the value of such property or asset or the amount of the Obligation so secured. Notwithstanding anything to the contrary contained herein: (i) the maximum principal amount of the Obligations secured by this Security Instrument (the "**Principal Indebtedness**") shall not exceed \$3,565,000.00 (the "**Maximum Principal Amount**") at any one time outstanding under the Indenture; (ii) the Maximum Principal Amount of the Principal Indebtedness secured by this Security Instrument shall be deemed to be the first Obligations to be advanced and the last Obligations to be repaid; (iii) the security afforded by this Security Instrument for the Obligations shall not be reduced by any payments or other sums applied to the reduction of the Obligations so long as the total amount of outstanding Principal Indebtedness exceeds the Maximum Principal Amount and thereafter shall be reduced only to the extent that any such payments and other sums are actually applied by the Lenders, in accordance with the Security Documents, to reduce the outstanding Principal Indebtedness to an amount less than the Maximum Principal Amount; (iv) if at any time after the reduction of the Principal Indebtedness to an amount less than the Maximum Principal Amount, Principal Indebtedness should subsequently be incurred that increase the total outstanding Principal Indebtedness to an amount equal to or exceeding the Maximum Principal Amount, the security afforded by this Security Instrument shall thereupon be increased to the Maximum Principal Amount; and (v) the limitation contained in this paragraph on the Maximum Principal Amount shall only pertain to Principal Indebtedness and shall not be construed as limiting the amount of interest, fees, expenses, indemnified amounts and other Obligations secured hereby that are not Principal Indebtedness, it being the intention of the parties to this Security Instrument that this Security Instrument shall secure any Principal Indebtedness remaining unpaid at the time of foreclosure up to the Maximum Principal Amount, plus interest thereon, all costs of collection and all other amounts (except Principal Indebtedness in excess of the Maximum Principal Amount) included in the Obligations.

Mortgagor hereby further covenants and agrees with Trustee as follows:

1. Payment and Performance of Obligations. Mortgagor shall promptly pay the Obligations when due, and fully and promptly perform all of the provisions, agreements, covenants and obligations of the Obligations.

2. Impositions, Liens and Charges. (a) Mortgagor shall pay when due all the water and sewer bills, real estate taxes, ad valorem taxes, personal property taxes, assessments, betterments, all governmental charges of every name and restriction which may be levied on the Property as well as the premium installments for the insurance covering the Property as required pursuant to Paragraph 3 hereof (hereinafter collectively referred to as the "Impositions") and other charges, if any, attributable to the Property. Mortgagor shall promptly discharge (by bonding, payment or otherwise) any lien (other than Permitted Liens as defined hereafter) filed against the Property and will keep and maintain the Property free from the claims of all Persons supplying labor or materials to the Property. Except for the Senior Liens and Permitted Liens (defined hereafter), Mortgagor does warrant and will forever defend the title to the Property against the claims of all Persons whomsoever.

(b) Notwithstanding anything to the contrary herein, neither the existence of the following liens (which hereinafter, together with the Senior Liens and Approved Liens are referred to as "Permitted Liens") nor the relative priority of such liens shall be considered a default under this Security Instrument:

(i) Easements, rights of way, restrictions, minor defects or irregularities in title and other similar liens not interfering in any material respect with the ordinary conduct of the business of Mortgagor on the Property or having any material adverse effect on the value of the Property;

(ii) Liens securing debt incurred or assumed for the purpose of financing all or any part of the cost of acquiring the fixed asset subject to the lien (including purchase money financing and capital leases);

(iii) Liens on fixed assets at the time of acquisition thereof;

(iv) Liens for taxes or other governmental charges not at the time delinquent or thereafter payable without penalty or being contested in good faith by appropriate proceedings and subject to appropriate reserves in conformity with GAAP;

(v) Liens arising in the ordinary course of business (i) in favor of carriers, warehousemen, mechanics, materialmen, and landlords, and other similar liens imposed by law and (ii) in connection with worker's compensation, unemployment compensation and other types of social security (excluding Liens arising under ERISA) or in connection with surety bonds, bids, performance bonds and similar obligations, for sums not overdue or being contested in good faith by appropriate proceedings and subject to appropriate reserves in conformity with GAAP;

(vi) Judgments and similar liens for sums not exceeding \$100,000.00 arising in connection with court proceedings; provided that execution or other enforcement of such liens is effectively stayed and the claims secured thereby are being contested in good faith by appropriate proceedings and subject to appropriate reserves in conformity with GAAP; and

(vii) The replacement, extension or renewal of any lien permitted above arising out of the extension, renewal or replacement of the indebtedness secured thereby.

3. Property and Other Insurance; Casualty; Condemnation. (a) The Mortgagor agrees to maintain in full force and effect at all times, such public liability insurance, third party property damage insurance, casualty insurance, flood insurance, if applicable, and other insurance as required pursuant to the Indenture.

(b) The Mortgagor shall provide written notice to the Trustee of the occurrence of any of the following events within five (5) Business Days after the occurrence of such event: any of the Property is (i) damaged or destroyed, or suffers any other loss, or (ii) Mortgagor's receipt of notice of any pending or threatened condemnation, confiscation or other taking, in whole or in part, or the use thereof is otherwise diminished so as to render impracticable or unreasonable the use of the Property for the purposes to which the Property was used immediately prior to such condemnation, confiscation or taking, by exercise of the powers of condemnation or eminent domain or otherwise (collectively, a "Casualty Loss"). The Mortgagor shall diligently file and prosecute its claim or claims for any award or payment in connection with a Casualty Loss. The proceeds of any award or claim for damages on account of any Casualty Loss are hereby assigned to the Trustee, for the ratable benefit of the Lenders, subject to the Senior Liens. Mortgagor agrees to execute such further assignment of any awards, proceeds, damages or claims arising in connection with such Casualty Loss. In the event of a Casualty Loss, subject to the terms of the Lien Subordination Agreement, as defined below, the Mortgagor shall pay to the Trustee, promptly upon receipt thereof, any and all insurance proceeds and payments received by the Mortgagor on account of damage, destruction, loss, condemnation or eminent domain proceedings (collectively, the "Casualty Proceeds"). The Casualty Proceeds received by Trustee shall be distributed as follows: (i) if an Event of Default shall have occurred and be continuing at the time such Casualty Proceeds are made available by the insurance company or the governmental authority which exercised such condemnation or eminent domain proceeding, as the case may be, the Trustee may at its option apply the Casualty Proceeds in reduction of the Obligations; or (ii) if there has not occurred and there is not continuing an Event of Default at the time such Casualty Proceeds are made available by the insurance company or the governmental authority which exercised such condemnation or eminent domain proceeding, as the case may be, the Trustee shall release such proceeds to the Mortgagor to be used (1) to repair, replace or rebuild the asset or property or portion thereof that was the subject of the Casualty Loss, or (2) for such other purposes as may be agreed between Mortgagor and the mortgagee under the Senior Liens. After the occurrence and during the continuance of an Event of Default, in the event the Senior Liens have been released, (i) no settlement on account of any such Casualty Loss shall be made without the written consent of the Trustee, and (ii) the Trustee may participate in any such proceedings and the Mortgagor shall deliver to the Trustee such documents as may be requested by the Trustee to permit such participation and shall consult with the Trustee, its attorneys and agents in the making and prosecution of such claim or claims. The Mortgagor hereby irrevocably authorizes and appoints the Trustee its attorney-in-fact, exercisable after the occurrence and continuance of an Event of Default in the event the Senior Liens have been released, to collect and receive for any such award or payment and to file and prosecute such claim or claims, which power of attorney shall be irrevocable and shall be deemed to be coupled with an interest, and the Mortgagor shall, upon demand of the Trustee, make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning any such award or payment to the Trustee for the benefit of the Lenders, free and clear of any encumbrances of any kind or nature whatsoever.

(c) In the event that the Mortgagor at any time or times shall fail to obtain or maintain any of the policies of insurance required hereby or to pay any premium in whole or part relating thereto, the Trustee may, without waiving or releasing any obligation or liability of the Mortgagor hereunder or any Event of Default occasioned thereby, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Trustee deems advisable. All sums disbursed by the Trustee in connection with this Paragraph 3(c), including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon

demand, by the Mortgagor to the Trustee and shall be additional Obligations secured hereby. Mortgagor may later cancel any insurance purchased by the Trustee, but only after providing the Trustee with evidence reasonably satisfactory to the Trustee that the Mortgagor has obtained insurance as required hereunder.

4. Preservation and Maintenance. Mortgagor (a) shall not permit or commit waste, impairment, or deterioration of the Property, ordinary wear and tear excepted, (b) shall restore or repair promptly and in a good and workmanlike manner all or any part of the Property in the event of any damage, injury or loss thereto, to the equivalent of its condition prior to such damage, injury or loss, (c) shall keep the Property, including the Improvements and the Personal Property, in good order, repair and tenantable condition, ordinary wear and tear excepted, and shall replace fixtures, equipment, machinery and appliances on the Property when necessary to keep such items in good order, repair, and tenantable condition, ordinary wear and tear excepted, and (d) shall comply in all material respects with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

5. Use of Property. Unless required by applicable law or unless authorized or approved by Holders of a majority of the outstanding principal amount of the Securities, (i) Mortgagor shall not allow material changes in the nature of the occupancy or use for which the Property was intended at the time this Security Instrument was executed, and (ii) Mortgagor shall not initiate or acquiesce in a change in the zoning classification of the Property or except pursuant to agreements relating to the Senior Liens, and the Permitted Liens, subject the Property to restrictive or negative covenants. Mortgagor shall comply in all material respects with, observe and perform all zoning and other laws affecting the Property, all restrictive covenants affecting the Property, and all licenses and permits affecting the Property.

6. Hazardous Materials Warranties and Indemnification.

(a) Definitions. The following definitions shall apply for purposes of this Security Instrument:

(i) "Environmental Laws" shall mean and include each and every federal, state or local statute, regulation or ordinance or any judicial or administrative decree or decision, whether now existing or hereafter enacted, promulgated or issued, with respect to any Hazardous Materials (as hereinafter defined), drinking water, groundwater, wetlands, landfills, open dumps, storage tanks, underground storage tanks, solid waste, waste water, storm water run-off, waste emissions or wells. Without limiting the generality of the foregoing, the term shall encompass each of the following statutes and regulations promulgated thereunder as well as any amendments and successors to such statutes and regulations, as may be enacted and promulgated from time to time: (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (codified in scattered sections of 26 U.S.C., 33 U.S.C., 42 U.S.C. and 42 U.S.C. §9601 et seq.); (ii) the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901 et seq.); (iii) the Toxic Substances Control Act (15 U.S.C. §2601 et seq.); (iv) the Clean Water Act (33 U.S.C. §1251 et seq.); (v) the Clean Air Act (42 U.S.C. §7401 et seq.); (vi) the Safe Drinking Water Act (21 U.S.C. §349; 42 U.S.C. §201 and §300f et seq.); (vii) the National Environmental Policy Act of 1969 (42 U.S.C. §4321); (viii) the Superfund Amendment and Reauthorization Act of 1986 (codified in scattered sections of 10 U.S.C., 29 U.S.C., 33 U.S.C. and 42 U.S.C.); and (ix) applicable laws of the jurisdiction where the Property is located, and any other state, regional, county, municipal and other local laws, regulations and ordinances and any reported decisions of a state or federal court insofar as they are equivalent or similar to the federal and state laws recited above or purport to regulate Hazardous Materials.

(ii) "Hazardous Materials" shall mean each and every element, compound, chemical mixture, contaminant, pollutant, material, waste or other substance which is defined, determined or identified as hazardous or toxic under any Environmental Law. Without limiting the generality of the foregoing, the term shall mean and include:

(A) "hazardous substances" as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Superfund Amendment and Reauthorization Act of 1986, or Title III of the Superfund Amendment and Reauthorization Act, each as amended, and regulations promulgated thereunder;

(B) "hazardous waste" as defined in the Resource Conservation and Recovery Act of 1976, as amended, and regulations promulgated thereunder;

(C) "hazardous materials" as defined in the Hazardous Materials Transportation Act, as amended, and regulations promulgated thereunder;

(D) "chemical substance or mixture" as defined in the Toxic Substances Control Act, as amended, and regulations promulgated thereunder;

(E) any other definitional terms contained in the applicable laws and regulations of the jurisdiction where the Property is located.

(iii) "Indemnified Parties" shall mean the Trustee and each of the Lenders and their respective directors, officers, shareholders, employees and counsel, and the successors and assigns of any of them; and "Indemnified Party" shall mean any one of the Indemnified Parties.

(iv) "Release" shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, storing, escaping, leaching, dumping, or discarding, burying, abandoning, or disposing into the environment.

(v) "Threat of Release" shall mean a substantial likelihood of a Release which requires action to prevent or mitigate damage to the environment which may result from such Release.

(b) Environmental Representations and Warranties of Mortgagor. Mortgagor represents and warrants to Trustee to the best of Mortgagor's Knowledge (as defined below) as follows:

(i) Except as disclosed in that certain Level I Environmental Site Assessment dated November 20, 2000 performed by National Assessment Corporation (the "Phase I Report") in connection with the delivery of this Security Instrument, no condition, activity or conduct exists on or in connection with the Property which constitutes a violation of any Environmental Law that could reasonably be expected to have a material adverse effect on the Property.

(ii) Except as disclosed in the Phase I Report, there has been no Release or Threat of Release of any Hazardous Materials on, upon or into the Property, nor, has there been any such Release or Threat of Release of any Hazardous Materials on, upon or into any real property in the vicinity of the Property which, through soil or groundwater migration, could reasonably be expected to come to be located on the Property, and which could reasonably be expected to have a material adverse effect on the Property.

(iii) There are no existing or closed underground storage tanks on the Property.

(iv) None of the following are or will hereafter be located, in, on or constitute a part of the Property: friable asbestos or friable asbestos-containing material in any form or condition; urea formaldehyde insulation; transformers or other equipment which contain dielectric fluid containing polychlorinated biphenyls; or leaded paint, except as may be brought on the Property for use or sale in connection with the current use of the Property.

(v) There are no existing or closed sanitary landfills, solid waste disposal sites, or hazardous waste treatment, storage or disposal facilities on the Property.

(vi) No pending or current notice has been issued to Mortgagor by any agency, authority, or unit of government that Mortgagor has been identified as a potentially responsible party under any Environmental Law.

(vii) There exists no pending or current investigation, action, proceeding, or claim by any agency, authority, or unit of government or by any third party which could result in any liability, penalty, sanction, or judgment under any Environmental Law with respect to any condition, use or operation of the Property or any other real property owned, leased or operated by Mortgagor.

As used herein, "Mortgagor's Knowledge" means the actual knowledge of the executive officers of Mortgagor located at its executive offices in Vernon Hills, Illinois on the date of this Security Instrument.

(c) Environmental Covenants of Mortgagor. Mortgagor covenants and agrees with Trustee that Mortgagor shall:

(i) comply with all Environmental Laws;

(ii) not store (except in compliance with all Environmental Laws pertaining thereto), dispose of, Release or allow the Release of any Hazardous Materials on the Property; and

(iii) neither directly nor indirectly transport or arrange for the transport of any Hazardous Materials (except in compliance with all Environmental Laws pertaining thereto); and

(iv) in the event that the Senior Liens have been released, upon the request of Trustee, take all such action (including, without limitation, the conducting of environmental assessments at the sole expense of the Mortgagor in accordance with subparagraph (e) hereof) to confirm that no Hazardous Materials are stored, Released after the date hereof or disposed of after the date hereof on the Property.

Notwithstanding the foregoing, the covenants of subsection (i) shall be null and void and replaced as follows: "(i) comply with all Environmental Laws in all material respects;" in the event that the collateral documents evidencing the Senior Liens contain substantially the same covenant with the foregoing materiality limitation.

(d) Environmental Indemnity. Mortgagor covenants and agrees, at Mortgagor's sole cost and expense, to indemnify, defend (at trial and appellate levels, and with attorneys, consultants and

experts acceptable to Trustee) and hold each Indemnified Party harmless from and against any and all liens, damages, losses, liabilities, obligations, settlement payments, penalties, assessments, citations, directives, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements or expenses of any kind or of any nature whatsoever (including, without limitation, reasonable attorneys', consultants' and experts' fees and disbursements incurred in investigating, defending, settling or prosecuting any claim, litigation or proceeding) which may at any time be imposed upon, incurred by or asserted or awarded against such Indemnified Party or the Property and arising directly or indirectly from or out of:

(i) the Release of any Hazardous Materials on, in, under or affecting all or any portion of the Property or any surrounding areas, regardless of whether or not caused by or within the control of Mortgagor;

(ii) the violation of any Environmental Laws relating to or affecting the Property or the Mortgagor, whether or not caused by or within the control of Mortgagor;

(iii) the failure of Mortgagor to comply fully with the terms and conditions of this Paragraph 6;

(iv) the violation of any Environmental Laws in connection with other real property of Mortgagor which gives or may give rise to any rights whatsoever in any party with respect to the Property by virtue of any Environmental Laws;

(v) the breach of any representation or warranty contained in this Paragraph 6; or

(vi) the enforcement of this Paragraph 6, including, without limitation (A) the costs of assessment, containment and/or removal of any and all Hazardous Materials from all or any portion of the Property or any surrounding areas, (B) the costs of any actions taken in response to a Release or Threat of Release of any Hazardous Materials on, in, under or affecting all or any portion of the Property or any surrounding areas to prevent or minimize such Release or Threat of Release so that it does not migrate or otherwise cause or threaten danger to present or future public health, safety, welfare or the environment, and (C) costs incurred to comply with the Environmental Laws in connection with all or any portion of the Property or any surrounding areas. The Indemnified Parties' rights under this Paragraph shall be in addition to all other rights of the Indemnified Parties under this Security Instrument and the Indenture and Securities and payments by Mortgagor under this Paragraph shall not reduce Mortgagor's obligations and liabilities under the Indenture or Securities.

(e) Notice to Trustee. If Mortgagor receives any notice or obtains knowledge of (i) any potential or known Release or Threat of Release of any Hazardous Materials at or from the Property, notification of which must be given to any governmental agency under any Environmental Law, or notification of which has, in fact, been given to any governmental agency, or (ii) any complaint, order, citation or notice with regard to air emissions, water discharges, or any other environmental health or safety matter affecting Mortgagor or the Property (an "Environmental Complaint") from any Person or entity (including, without limitation, the Environmental Protection Agency), then Mortgagor shall immediately notify Trustee orally and notify Trustee and the Lenders in writing of said Release or Threat of Release or Environmental Complaint. Provided that the Senior Liens have been released, upon such notification, the Mortgagor shall, and the Trustee may, obtain one or more environmental assessments of the Property prepared by a geohydrologist, an independent engineer or other qualified consultant or expert which evaluates or confirms (i) whether any Hazardous Materials are present in the soil or water at or

adjacent to the Property, and (ii) whether the use and operation of the Property comply with all Environmental Laws. Environmental assessments may include detailed visual inspections of the Property, including, without limitation, any and all storage areas, storage tanks, drains, dry wells and leaching areas, and the taking of soil samples, surface water samples and ground water samples, as well as such other investigations or analyses as are necessary or appropriate for a complete determination of the compliance of the Property and the use and operation thereof with all applicable Environmental Laws. All such environmental assessments shall be at the cost and expense of the Mortgagor. To the extent necessary to allow the Trustee to obtain the environmental assessments provided for herein, the Mortgagor agrees that the Trustee and the representatives and agents of the Trustee shall have a right to enter upon, visit and inspect the Property.

(f) Survival, Assignability, and Transferability.

(i) The warranties, representations and indemnity set forth in this Paragraph 6 shall survive the payment and performance of the Obligations and any exercise by Trustee of any remedies under this Security Instrument, including without limitation, the power of sale, or any other remedy in the nature of foreclosure, and shall not merge with any deed given by Mortgagor to Trustee or any Lender in lieu of foreclosure or any deed under a power of sale.

(ii) It is agreed and intended by Mortgagor and Trustee that the warranties, representations and indemnity set forth above in this Paragraph 6 may be assigned or otherwise transferred by the Trustee to its successors and assigns and to any subsequent purchasers of all or any portion of the Property by, through or under the Trustee or the Lenders, without notice to Mortgagor and without any further consent of Mortgagor. To the extent consent or any such assignment or transfer is required by law, advance consent to any such assignment or transfer is hereby given by Mortgagor in order to maximize the extent and effect of such warranties, representations and indemnity given hereby.

7. Transfers. Except as otherwise permitted by the Indenture and the Lien Subordination Agreement, Mortgagor will not, directly or indirectly, without the prior written consent in each instance of the Holders of a majority of the outstanding principal amount of the Securities:

(a) contribute, sell, convey, transfer, or otherwise dispose of the Property, or any part thereof or interest therein; or

(b) create or suffer to be created or to exist any Lien or other charge of any kind upon the Property, or any part thereof or interest therein other than the Permitted Liens.

Notwithstanding the foregoing, in the event of a Real Estate Asset Sale, as permitted by the Indenture and the Lien Subordination Agreement, Trustee shall execute a release of the Lien created by this Security Instrument within five (5) Business Days of written request therefore from Mortgagor in accordance with Section 4.16 and Section 9.03 of the Indenture.

8. Protection of Trustee's Security. If Mortgagor fails to perform the covenants and agreements contained in this Security Instrument, or if any action or proceeding is commenced which affects the Property or title thereto or the interest of Trustee therein, including, but not limited to, eminent domain, insolvency, code enforcement or arrangements or proceedings involving a bankruptcy of the Mortgagor, then Trustee, at Trustee's option, may, but shall not be obligated to, make such appearances, disburse such sums and take such action as Trustee deems necessary to protect Trustee's interest, including, but not limited to, disbursement of reasonable attorneys' fees, payment, contest or compromise or any lien or security interest which is prior to the lien or security interest of this Security Instrument, and entry upon the Property to make repairs. Any amounts disbursed by Trustee pursuant to this

Paragraph 7, with interest thereon, shall become a portion of the Obligations. Unless Mortgagor and Trustee agree to other terms of payment, such amounts shall be payable upon notice from Trustee to Mortgagor requesting payment thereof and shall bear interest from the date of disbursement at the default rate stated in the Indenture unless collection from Mortgagor of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Mortgagor under applicable law. Mortgagor shall have the right to prepay such amounts in whole or in part at any time. Nothing contained in this Paragraph 7 shall require Trustee to incur any expense or do any act.

9. Mortgagor and Lien Not Released. From time to time, without affecting the obligation of Mortgagor or Mortgagor's successors or assigns to pay the Obligations and to observe the covenants of Mortgagor contained in this Security Instrument, and without affecting the guaranty of any Person for payment or performance of the Obligations, and without affecting the lien or priority of lien of this Security Instrument on the Property, Trustee may, at Trustee's option, without giving notice to or obtaining the consent of Mortgagor, Mortgagor's successors or assigns or of any guarantor, and without liability on the Trustee's part, but subject to the terms and conditions of the Indenture, grant extensions or postponements of the time for payment of the Obligations or any part thereof, release anyone liable on any of the Obligations, accept a renewal note or notes therefor, release from this Security Instrument any part of the Property, take or release other or additional security, reconvey any part of the Property, consent to any map or plat or subdivision of the Property, consent to the granting of any easement, join in any extension or subordination agreement and agree in writing with Mortgagor to modify the terms and conditions of the Indenture or the Securities. Mortgagor shall pay such title insurance premiums and attorneys' fees as may be incurred, at Trustee's option, for any such action if taken at Mortgagor's request.

10. Forbearance Not Waiver. Any forbearance by Trustee in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy hereunder. The procurement of insurance or the payment of taxes or other liens or charges by Trustee shall not be a waiver of Trustee's right to accelerate the maturity of the Obligations. Trustee's receipt of any awards, proceeds or damages under Paragraph 3 hereof shall not operate to cure or waive Mortgagor's default in payment of the Obligations.

11. Leases and Revenues.

(a) As part of the consideration for the Obligations, Mortgagor has absolutely and unconditionally collaterally assigned and transferred to Trustee for the ratable benefit of the Trustee and the Lenders all of Mortgagor's right, title and interest in and to the Leases and the Revenues, including those now due, past due or to become due by virtue of any Lease for the occupancy or use of all or any part of the Property, subject only to the Prior Security Instrument. Mortgagor hereby represents and warrants as follows:

(i) Subject only to the Senior Liens and the Permitted Liens, Mortgagor is the sole and absolute owner of the entire landlord's or lessor's interest in the Leases and said rents, issues and profits and shall not assign its interest in, to or under any of the Leases or the Revenues to any Person other than the Trustee;

(ii) Mortgagor has made no prior assignment of any of the Leases or with respect to any of said rents, issues or profits, except for the assignment to the mortgagee under the Senior Liens and the Permitted Liens; and

(iii) Except for the agreements evidencing the Senior Liens and the Permitted Liens, Mortgagor has neither done any act nor omitted to do any act which might prevent Trustee from, or limit Trustee in, acting under any of the provisions of this assignment pursuant to this Security Instrument.

(b) Mortgagor agrees that neither the foregoing assignment of Leases and Revenues nor the exercise of any of Trustee's rights and remedies under Paragraph 16 hereof shall be deemed to make Trustee a mortgagee-in-possession or otherwise responsible or liable in any manner with respect to the Leases, the Property or the use, occupancy, enjoyment or operation of all or any portion thereof, unless and until Trustee, in person or by agent, assumes actual possession thereof. Nor shall the appointment of any receiver for the Property by any court at the request of Trustee or by agreement with Mortgagor, or the entering into possession of any part of the Property by such receiver, be deemed to make Trustee a mortgagee-in-possession or otherwise responsible or liable in any manner with respect to the Leases, the Property or the use, occupancy, enjoyment or operation of all or any portion thereof.

(c) If Trustee or a receiver enters upon, takes possession of and maintains control of the Property, all Revenues thereafter collected shall be applied first to the costs of taking control of and managing the Property and collecting the Revenues, including, but not limited to, reasonable attorneys' fees actually incurred, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, Impositions and other charges on the Property, and the costs of discharging any obligation or liability of Mortgagor as landlord, lessor or licensor of the Property and then to the Obligations. Trustee or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those Revenues actually received. Trustee shall not be liable to Mortgagor, anyone claiming under or through Mortgagor or anyone having an interest in the Property by reason of anything done or left undone by Trustee pursuant to Paragraph 16 hereof. If the Revenues are not sufficient to meet the costs of taking control of and managing the Property and collecting the Revenues, any monies expended by Trustee for such purposes shall become a portion of the Obligations. Unless Trustee and Mortgagor agree in writing to other terms of payment, such amounts shall be payable upon notice from Trustee to Mortgagor requesting payment thereof and shall bear interest from the date of disbursement at the default rate stated in the Indenture, unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Mortgagor under applicable law. The entering upon and taking possession of and maintaining of control of the Property by Trustee or the receiver pursuant to the provisions of this Security Instrument and the application of Revenues as provided herein shall not cure or waive any Event of Default or invalidate any other right or remedy of Trustee hereunder.

(d) Nothing herein shall be construed to impose any liability or obligation on Trustee under or with respect to any lease, occupancy or concession agreement with respect to the Property. Mortgagor shall hold Trustee harmless from and against any and all liabilities, losses and damages, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, incurred by any such agreement or by reason of the provisions of this Paragraph 11 or Paragraph 12.

12. Leases of the Property and Collection of Revenues. Mortgagor will not enter into any Lease of all or any substantial portion of the Property or amend, supplement or otherwise modify, or terminate or cancel, or accept the surrender of, or consent to the assignment or subletting of, or grant any concessions to or waive the performance of any obligations of any tenant, lessee or licensee under, any now existing or future Lease of the Property, without the prior written consent of Trustee, provided however, if the mortgagee under the Senior Liens shall consent to any such action, then the consent of Trustee shall not be required.

13. Remedies Cumulative. All remedies provided in this Security Instrument are distinct and cumulative to any other right or remedy under this Security Instrument or under the Indenture, the Securities or afforded by law or equity, and may be exercised concurrently, independently or successively.

14. Taxation of Security Instruments. In the event of the enactment of any law deducting from the value of the Property any mortgage lien thereon, or imposing upon Trustee the payment of all or part of the taxes, charges or assessments previously paid by Mortgagor pursuant to this Security Instrument, or changing the law relating to the taxation of mortgages or debts secured by mortgages or Trustee's interest in the Property so as to impose new incidents of tax on Trustee, then Mortgagor shall pay such taxes or assessments or shall reimburse Trustee therefor.

15. Events of Default and Acceleration. The term "Event of Default", wherever used in this Security Instrument, shall mean the occurrence of any "Event of Default" as defined on Exhibit B attached hereto and made a part hereof.

16. Rights and Remedies.

(a) Power of Sale and other Remedies. Upon the occurrence of any Event of Default, subject to the Lien Subordination Agreement, and whether or not Trustee or the Holders shall have accelerated the maturity of the Obligations pursuant to the Indenture, Trustee, at its option, may, to the extent permitted by law:

(i) exercise its option to exercise any one or more of the rights and remedies to which it is entitled under applicable law; and the Trustee, in lieu of or in addition to exercising the power of sale hereinafter given, may proceed by suit to foreclose its mortgage on the Property, to sue the Mortgagor for damages on account of said default, for specific performance of any provision contained herein, or to enforce any other appropriate legal or equitable right or remedy;

(ii) upon the breach or default by Mortgagor of any of the foregoing, or upon the occurrence of an Event of Default, or at any time thereafter, this Security Instrument shall be subject to foreclosure and may be foreclosed as now provided by law in case of past-due mortgages, and the Trustee shall be authorized, at its option, whether or not possession of the Property is taken, to sell the Property (or such part or parts thereof as the Trustee may from time to time elect to sell) under the power of sale which is hereby given to the Trustee, at public outcry, to the highest bidder for cash, at the front or main door of the courthouse of the county in which the Land to be sold, or a substantial and material part thereof, is located, after first giving notice by publication once a week for three successive weeks of the time, place and terms of such sale, together with a description of the Property to be sold, by publication in some newspaper published in the county or counties in which the Land to be sold is located. If there is Land to be sold in more than one county, publication shall be made in all counties where the Land to be sold is located, but if no newspaper is published in any such county, the notice shall be published in a newspaper published in an adjoining county for three successive weeks. The sale shall be held between the hours of 11:00 a.m. and 4:00 p.m. on the day designated for the exercise of the power of sale hereunder. The Trustee may bid at any sale held under this Security Instrument and may purchase the Property, or any part thereof, if the highest bidder therefor. The purchaser at any such sale shall be under no obligation to see to the proper application of the purchase money. At any sale all or any part of the Property, real, personal or mixed, may be offered for sale in parcels or en masse for one total price, and the proceeds of any such sale en masse shall be accounted for in one account without distinction between the items included therein and without assigning to

them any proportion of such proceeds, the Mortgagor hereby waiving the application of any doctrine of marshalling or like proceeding. In case the Trustee, in the exercise of the power of sale herein given, elects to sell the Property in parts or parcels, sales thereof may be held from time to time, and the power of sale granted herein shall not be fully exercised until all of the Property not previously sold shall have been sold or all the Obligations shall have been paid in full and this Security Instrument shall have been terminated as provided herein;

(iii) either with or without entering upon or taking possession of the Property, demand, collect and receive any or all Revenues;

(iv) exercise its rights as a secured party with respect to the Personal Property and enter upon any premises on which the Personal Property or any part thereof may be situated and remove the same;

(v) either with or without taking possession of the Property, sell, lease or otherwise dispose of the Property in its then condition or following such preparation as Trustee deems advisable;

(vi) either with or without entering upon or taking possession of the Property, and without assuming any obligations of Mortgagor thereunder, exercise the rights of Mortgagor under, use or benefit from, any of the Leases;

(vii) in person, by agent or by court-appointed receiver, enter upon, take possession of, and maintain full control of the Property in order to perform all acts necessary or appropriate to maintain and operate the Property, including, but not limited to, the execution, cancellation or modification of Leases, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as Trustee, in its sole discretion, deems proper or appropriate;

(viii) proceed by a suit or suits in law or in equity or by other appropriate proceeding to enforce payment of the Obligations or the performance of any term, covenant, condition or agreement of this Security Instrument or the Indenture, or any other right, and to pursue any other remedy available to it, all as Trustee shall determine most effectual for such purposes;

(ix) institute and maintain such suits and proceedings as Trustee may deem expedient to prevent any impairment of the Property by any acts which may be unlawful or in violation of this Security Instrument, to preserve or protect its interest in the Property and the Revenues, and to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that would impair the security hereunder or be prejudicial to the interest of Trustee;

(x) apply all or any portion of the Property, or the proceeds thereof, towards (but not necessarily in complete satisfaction of) the Obligations;

(xi) foreclose any and all rights of Mortgagor in and to the Property, whether by sale, entry or in any other manner provided for hereunder or under the laws of the State in which the Land is located;

(xii) in the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Mortgagor or the creditors

or property of Mortgagor, Trustee, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Trustee and the Lenders allowed in such proceedings for the entire amount of the Obligations at the date of the institution of such proceedings and for any additional portion of the Obligations accruing after such date;

(xiii) exercise any other right or remedy of a mortgagee or secured party under the applicable law; or

(xiv) if the Event of Default is caused by an Event of Default under the Senior Liens, cure the default under the Senior Liens and add the cost of such cure to the Obligations secured by this Security Instrument.

(b) Receiver. If an Event of Default shall have occurred and shall not be cured, subject to the Lien Subordination Agreement, Trustee, upon application to a court of competent jurisdiction, shall be entitled as a matter of strict right without notice and without regard to the occupancy or value of any security for the Obligations or the solvency of any party bound for its payment, to the appointment of a receiver to take possession of and to operate the Property and to collect and apply the Revenues. The receiver shall have all of the rights and powers permitted under applicable law. Mortgagor will pay to Trustee upon demand, all expenses, including receiver's fees, attorneys' fees, costs and agent's compensation, incurred pursuant to such appointment and all such expenses shall be a portion of the Obligations.

(c) Sale or Other Disposition of Property. Subject to the Lien Subordination Agreement, the Trustee, in connection with the exercise of its rights under, and in accordance with the terms and conditions of the UCC may conduct any sale or other disposition of the Property at public or private sale, to the extent such private sale is authorized under the provisions of the UCC upon the Land, in which event Trustee shall not be liable for any rent or charge for such use of the Land. Trustee may purchase the Property, or any portion of it, at any sale held under this Paragraph 16. With respect to any Property to be sold pursuant to the UCC, Trustee shall give Mortgagor at least ten (10) days written notice of the date, time, and place of any proposed public sale, and of the date after which any private sale or other disposition may be made. Trustee may sell any of the Personal Property as part of the real property comprising the Property, or any portion or unit thereof, at the foreclosure sale or sales conducted pursuant hereto. If the provisions of the UCC are applicable to any part of the Personal Property which is to be sold in combination with or as part of the real property comprising the Property, or any part thereof, at one or more foreclosure sales, any notice required under such provisions shall be fully satisfied by the notice given in connection with any foreclosure proceedings with respect to the real property or any part thereof. Mortgagor waives any right to require the marshaling of any of its assets in connection with any disposition conducted pursuant hereto. In the event all or part of the Property is included at any foreclosure sale conducted pursuant hereto, a single total price for the Property, or such part thereof as is sold, may be accepted by Trustee with no obligation to distinguish between the application of such proceeds amongst the property comprising the Property.

(d) Collection of Revenues. In connection with the exercise by Trustee of the rights and remedies provided for in subparagraph (a)(iii) of this Paragraph 16:

(i) Trustee may notify any tenant, lessee or licensee of the Property, either in the name of Trustee or Mortgagor, to make payment of Revenues directly to Trustee or Trustee's agents, may advise any Person of Trustee's interest in and to the Revenues, and may collect directly from such tenants, lessees and licensees all amounts due on account of the Revenues;

(ii) At Trustee's request, Mortgagor will provide written notification to any or all tenants, lessees and licensees of the Property concerning Trustee's interest in the Revenues and will request that such tenants, lessees and licensees forward payment thereof directly to Trustee; and

(iii) Mortgagor shall deliver all such proceeds to Trustee immediately upon the receipt thereof by Mortgagor in the identical form received, but duly endorsed or assigned on behalf of Mortgagor to Trustee.

(e) Use and Occupation of Property. In connection with the exercise of Trustee's rights under Subparagraph (a)(vii) of this Paragraph 16, to the extent permitted by law, Trustee may enter upon, occupy, and use all or any part of the Property and may exclude Mortgagor from the Land and the Improvements or portion thereof as may have been so entered upon, occupied, or used. Trustee shall not be required to remove any Personal Property from the Land and the Improvements upon Trustee's taking possession thereof, and may render any Personal Property unusable to Mortgagor. In the event Trustee manages the Land and the Improvements in accordance with Subparagraph (a)(vii) herein, Mortgagor shall pay to Trustee on demand a reasonable fee for the management thereof in addition to the Obligations. Further, Trustee may construct such Improvements on the Land or make such alterations, renovations, repairs, and replacements to the Improvements, as Trustee, in its sole discretion, deems proper or appropriate. The obligation of Mortgagor to pay such amounts and all expenses incurred by Trustee in the exercise of its rights hereunder shall be included in the Obligations and shall accrue interest at the default rate of interest stated in the Indenture, unless collection from Mortgagor of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Mortgagor under applicable law.

(f) Partial Sales. Mortgagor agrees that in case Trustee, in the exercise of the power of sale contained herein or in the exercise of any other rights hereunder given, elects to sell in parts or parcels, said sales may be held from time to time and that the power shall not be exhausted until all of the Property not previously sold shall have been sold, notwithstanding that the proceeds of such sales exceed, or may exceed, the Obligations.

(g) Assembly of Property. Upon the occurrence and continuance of any Event of Default, subject to the Lien Subordination Agreement, Trustee may require Mortgagor to assemble the Property and make it available to Trustee, at Mortgagor's sole risk and expense, at a place or places to be designated by Trustee which are reasonably convenient to both Trustee and Mortgagor.

(h) Power of Attorney. Mortgagor hereby irrevocably constitutes and appoints Trustee as Mortgagor's true and lawful attorney in fact, exercisable upon the occurrence and during the continuance of any Event of Default, but subject to the Lien Subordination Agreement, to take any action with respect to the Property to preserve, protect, or realize upon Trustee's interest therein, each at the sole risk, cost and expense of Mortgagor, but for the sole benefit of Trustee. The rights and powers granted Trustee by the within appointment include, but are not limited to, the right and power to: (i) prosecute, defend, compromise, settle, or release any action relating to the Property; (ii) endorse the name of Mortgagor in favor of Trustee upon any and all checks or other items constituting Revenues; (iii) sign and endorse the name of Mortgagor on, and to receive as secured party, any of the Personal Property; (iv) sign and file or record on behalf of Mortgagor any financing or other statement in order to perfect or protect Trustee's security interest; (v) enter into leases or subleases relative to all or a portion of the Land or the Improvements; (vi) enter into any contracts or agreements relative to, and to take all action deemed necessary in connection with, the construction of any Improvements on the Land; (vii) manage, operate, maintain, or repair the Land and the Improvements; and (viii) exercise the rights of Mortgagor under any Leases, or Intangible Personal Property. Trustee shall not be obligated to perform any of such acts or to

exercise any of such powers, but if Trustee elects so to perform or exercise, Trustee shall not be accountable for more than it actually receives as a result of such exercise of power, and shall not be responsible to Mortgagor except for Trustee's willful misconduct or gross negligence. All powers conferred upon Trustee by this Security Instrument, being coupled with an interest, shall be irrevocable until terminated by a written instrument executed by a duly authorized officer of Trustee.

(i) Foreclosure Deeds. To the extent permitted by applicable law, the Mortgagor hereby authorizes and empowers the Trustee or the auctioneer at any foreclosure sale had hereunder, for and in the name of the Mortgagor, to execute and deliver to the purchaser or purchasers of any of the Property sold at foreclosure good and sufficient deeds of conveyance or bills of sale thereto;

(j) In the event that any provision in this Mortgage shall be or become inconsistent with any applicable provisions of the laws of the state in which the Land is located, the provisions of such laws shall take precedence over the provisions of this Security Instrument, but shall not invalidate or render unenforceable any other provisions of this Security Instrument that can be construed in a manner consistent with such laws.

17. Right of Entry. Upon reasonable notice to Mortgagor, Trustee and its agents shall have the right to enter and inspect the Property at all reasonable times.

18. Notices. Any and all notices, demands, elections or requests provided for or permitted to be given pursuant to this Security Instrument shall be given or served as provided in the Indenture.

19. Successors and Assigns Bound; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Trustee and Mortgagor, subject to the provisions of the Indenture. The captions and headings of the paragraphs of this Security Instrument are for convenience only and are not to be used to interpret or define the provisions hereof.

20. Governing Law. Mortgagor hereby acknowledges, consents and agrees this Security Instrument and the rights of all parties mentioned herein shall be governed by the laws (as opposed to the conflict of laws) of the State of New York. Notwithstanding the foregoing, the parties agree that:

The procedures governing the enforcement by the Trustee of the provisional remedies against the Property or the Mortgagor, including by way of illustration but not limitation, actions for replevin or claim and delivery of the Property, for injunctive relief or for the appointment of a receiver, or for the enforcement of the power of sale, if any, with respect to the Property shall be governed by the laws of the state where the Land is located;

The Trustee shall comply with applicable laws of the state where the Land is located to the extent required in connection with the foreclosure of the security interests and liens created thereby and the enforcement of any power of sale, as the case may be; provided, however, that this subparagraph shall in no event be construed to provide that the substantive laws of the state where the Land is located shall apply to this Security Instrument or any of the other Security Documents, all of which are and shall continue to be governed by the substantive law of the State of New York. The parties further agree that the Trustee may enforce its rights under this Security Instrument and the other Security Documents, including but not limited to, its rights to sue Mortgagor to collect any outstanding Obligations or to obtain a judgment for any deficiency in accordance with New York law following foreclosure or enforcement of

any of the liens and security interests against any of the Collateral and/or the enforcement of the power of sale, as the case may be.

21. Severability. In the event that any provision in this Security Instrument shall be or become inconsistent with any applicable provisions of law, the provisions of the applicable law shall take precedence over the provisions of this Security Instrument, but shall not invalidate or render unenforceable any other provisions of this Security Instrument that can be construed in a manner consistent with the applicable law.

22. Usury. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected from Mortgagor is interpreted so that any charge for which provision is made in this Security Instrument, whether considered separately or together with other charges permitted to be collected from Mortgagor, is interpreted so that any such charge, whether considered separately or together with other charges that are considered a part of the transaction represented by this Security Instrument, violates such law, and Mortgagor is entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts, if any, previously paid to Trustee in excess of the amounts payable to Trustee pursuant to such charges as reduced shall be applied by Trustee to reduce the principal of the Obligations.

23. Discharge. Upon the payment in full of all Obligations (as defined above, including but not limited to, all future advances and other future indebtednesses, obligations and liabilities included therein) of the Company under the Indenture and the Securities, or upon the Company having otherwise been Discharged (as defined in the Indenture) from its Obligations with respect to the Securities pursuant to Section 8.01 of the Indenture, the Trustee (as defined in the Indenture) shall, at the written request of the Company, if Trustee is not then serving as Collateral Agent (as defined in the Indenture) or Mortgage Trustee (as defined in the Indenture), deliver a certificate to the Collateral Agent and the Mortgage Trustee stating that such Obligations have been paid in full or Discharged, and instruct the Collateral Agent or the Mortgage Trustee to release the Liens pursuant to the Indenture and the Collateral Documents (as defined in the Indenture). Mortgagor shall pay Trustee's reasonable costs incurred in discharging this Security Instrument.

24. Waivers. (a) Mortgagor agrees to the full extent permitted by law, that in case of an Event of Default, neither Mortgagor nor anyone claiming through or under Mortgagor shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension, homestead, exemption or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Security Instrument, or the absolute sale of the Property, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereat, and Mortgagor, for Mortgagor and all who may at any time claim through or under Mortgagor, hereby waives to the fullest extent that Mortgagor may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprised in the security intended to be created hereby marshaled upon any foreclosure of the lien hereof.

(b) No failure or delay of the Trustee in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Trustee hereunder are cumulative and are not exclusive of any rights or remedies that the Trustee would otherwise have. No waiver of any provisions of this Security Instrument or consent to any departure by Mortgagor therefrom shall in any event be effective unless the same shall be permitted by Paragraph (c) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which

given. No notice to or demand on the Mortgagor in any case shall entitle the Mortgagor to any other or further notice or demand in similar or other circumstances.

(c) Neither this Security Instrument nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Trustee and the Mortgagor.

25. Further Assurances. The Mortgagor shall take all such further actions and execute all such further documents and instruments as the Trustee may at any time reasonably determine in its sole discretion to be necessary or desirable to further carry out and consummate the transactions contemplated by this Security Instrument, to cause the execution, delivery and performance of this Security Instrument to be duly authorized and to perfect or protect the Lien (and the priority status hereof) of the Trustee on the Property. Upon any failure by Mortgagor so to do, Trustee may make, execute, record, file, re-record and/or refile any and all such assignments, mortgages, security agreements, financing statements, continuation statements, instruments, certificates, and documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Trustee the agent and attorney in fact of Mortgagor so to do.

26. Subrogation. Trustee shall be subrogated to all right, title, lien or equity of all Persons to whom Trustee may have paid any monies in settlement of liens, charges or assessments, or in acquisition of title or for its benefit hereunder, or for the benefit or account of Mortgagor upon execution of the Indenture or subsequently paid under any provisions hereof.

27. Time of the Essence. Time is of the essence with respect to each and every covenant, agreement and obligation of Mortgagor under this Security Instrument.

28. Trustee's Fees and Expenses; Indemnification. (a) Without in anyway limiting any other reimbursement obligations contained under the Indenture, the Mortgagor agrees to pay upon demand to the Trustee the amount of any and all reasonable expenses, including the reasonable fees, disbursements and other charges of its counsel and of any experts or agents, which the Trustee may incur in connection with (i) the custody or preservation of, or the sale of, collection from or other realization upon any of the Property, (ii) the exercise, enforcement or protection of any of the rights of the Trustee hereunder or (iii) the failure of the Mortgagor to perform or observe any of the provisions hereof.

(b) Any such amounts payable as provided hereunder shall be additional Obligations secured hereby. The indemnifications made pursuant to Paragraph 28 herein and the representations and warranties, covenants, and other obligations arising under Paragraph 6, shall continue indefinitely in full force and effect and shall survive and shall in no way be impaired by: any satisfaction or other termination of this Security Instrument, any assignment or other transfer of all or any portion of this Security Instrument or Trustee's interest in the Property (but, in such case, shall benefit both Indemnified Parties and any assignee or transferee), any exercise of Trustee's rights and remedies pursuant hereto including but not limited to foreclosure or acceptance of a deed in lieu of foreclosure, any exercise of any rights and remedies pursuant to the Indenture, Securities or any of the other Security Documents, any transfer of all or any portion of the Property (whether by Mortgagor or by Trustee following foreclosure or acceptance of a deed in lieu of foreclosure or at any other time), any amendment to this Security Instrument, or the other Security Documents, and any act or omission that might otherwise be construed as a release or discharge of Mortgagor from the obligations pursuant hereto.

29. Submission to Jurisdiction; Waivers. THE MORTGAGOR HEREBY IRREVOCABLY AND UNCONDITIONALLY: SUBMITS FOR ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS SECURITY INSTRUMENT, OR

FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, TO THE NON-EXCLUSIVE GENERAL JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK, THE COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK AND APPELLATE COURTS FROM ANY THEREOF; CONSENTS THAT ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN SUCH COURTS AND WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING BEING BROUGHT IN AN INCONVENIENT COURT AND AGREES NOT TO PLEAD OR CLAIM THE SAME; AGREES THAT SERVICE OF PROCESS IN ANY SUCH ACTION OR PROCEEDING MAY BE EFFECTED BY MAILING A COPY THEREOF BY REGISTERED OR CERTIFIED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL), POSTAGE PREPAID, TO THE MORTGAGOR; AGREES THAT NOTHING HEREIN SHALL AFFECT THE RIGHT TO EFFECT SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT TO SUE IN ANY OTHER JURISDICTION; WAIVES THE RIGHT TO ASSERT ANY SETOFF, COUNTERCLAIM OR CROSS-CLAIM IN RESPECT OF, AND ALL STATUTES OF LIMITATIONS WHICH MAY BE RELEVANT TO, SUCH ACTION OR PROCEEDING; AND WAIVES DUE DILIGENCE, DEMAND, PRESENTMENT AND PROTEST AND ANY NOTICES THEREOF AS WELL AS NOTICE OF NONPAYMENT.

30. WAIVER OF JURY TRIAL. THE MORTGAGOR HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF THIS AGREEMENT, THE OTHER CREDIT DOCUMENTS OR ANY OTHER AGREEMENTS OR TRANSACTIONS RELATED HERETO OR THERETO.

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

32. Intent. It is intended that this Security Instrument supplement the Indenture and Securities. In the event of a conflict between this Security Instrument and the Indenture and Securities, the terms of this Security Instrument shall control with respect to the Land, the Improvements, the Leases and the Revenues.

33. Subordinate Security Instrument. The liens securing this instrument are subordinate in the manner and to the extent set forth in that certain Lien Subordination Agreement (the "Lien Subordination Agreement" dated as of the date hereof among Trustee, Mortgagor and Merrill Lynch Capital, a Division of Merrill Lynch Business Financial Services, Inc. ("Merrill"), to the liens securing the indebtedness (including interest) owed by Mortgagor pursuant to that certain Credit Agreement dated as of the date hereof among Mortgagor, Merrill and the lenders from time to time party thereto (the "Credit Agreement"), as such Credit Agreement has or may be amended, supplemented or otherwise modified from time to time and to indebtedness refinancing the indebtedness under the Credit Agreement; and each holder of this instrument, by its acceptance hereof, irrevocably agrees to be bound by the provisions of the Lien Subordination Agreement and each agreement made therein by the Trustee on its behalf.

34. Provisions Subject to Applicable Law. All rights, powers and remedies provided in this Security Instrument 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 Security Instrument invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Security Instrument or any application thereof shall be invalid or unenforceable, the remainder of this Security Instrument and any other application of the term shall not be affected thereby.

35. Estoppel Letters. Mortgagor, upon ten (10) Business Days' prior written notice, shall furnish Trustee with a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the Obligations and the obligations secured by the Prior Security Instrument, and stating whether or not any off-sets or defenses exist against such principal and interest, and, if so, the particulars thereof, and any other matters requested by Trustee.

IN WITNESS WHEREOF, Mortgagor has executed this Security Instrument under seal, as of the day and year first above written, although actually executed on the date set forth in the acknowledgement below.

WICKES INC.

By: 

Name: James A. Hopwood

Title: Senior Vice President

STATE OF ILLINOIS)
COUNTY OF COOK)

I, the undersigned authority, a notary public in and for said county in said state, hereby certify that James A. Hopwood, whose name as Senior Vice President of Wickes Inc., a Delaware corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 20th day of February, 2003.


Notary Public

[NOTARIAL SEAL]

My commission expires:

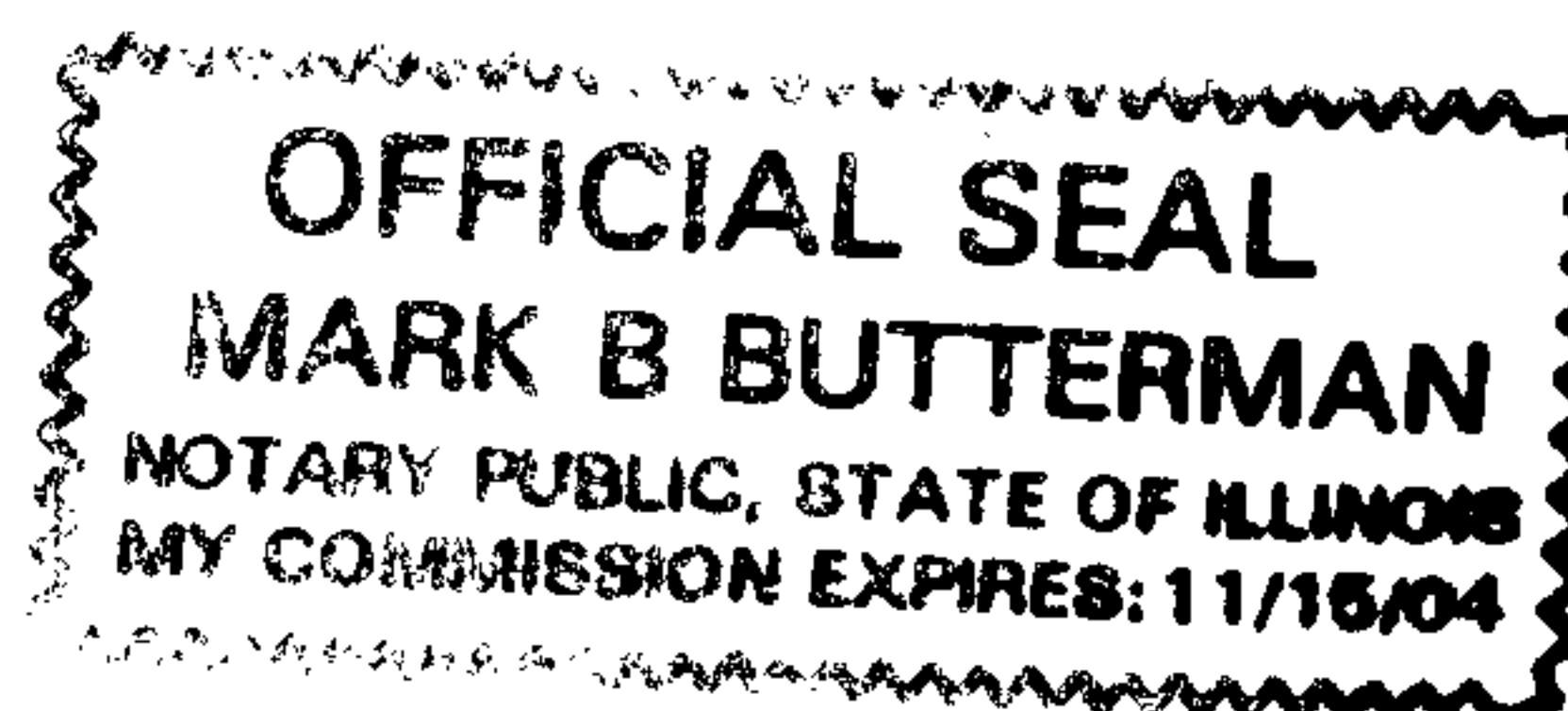


EXHIBIT A

[Legal Description of Land]

[See Attached]

EXHIBIT A

Legal Description

Lot 7 of Block 41, and Lots 9 and 10 of Block 42, according to the survey of W. P. DeJarnette of the City of Greenville, Alabama.

Less and Except the following:

1. That portion of Lot 9 sold to Southside Baptist Church, which deed is recorded in the Butler County Probate Office in Deed Book 183, at Page 194.
2. All that part of Lot 7 of Block 41, according to the W. P. DeJarnette survey of the City of Greenville, Alabama, which lies North and West of King Street.

EXHIBIT A

Legal Description (cont.)

Unit A:

Unit A of The Homecrafters Warehouse Building, a Condominium according to the Declaration of Condominium as recorded in Book 003 page 860 in the Office of the Judge of Probate of Shelby County, Alabama, together with an undivided fractional interest in the common elements as set out in the said Declaration of Condominium; being situated in Shelby County, Alabama.

Unit B:

Unit B of The Homecrafters Warehouse Building, a condominium, according to the Declaration of Condominium as recorded in Book 003 page 860 in the Office of the Judge of Probate of Shelby County, Alabama, together with an undivided fractional interest in the common elements as set out in the said Declaration of Condominium; being situated in Shelby County, Alabama.

EXHIBIT A

Legal Description (cont.)

PARCEL I:

Commence at the Northwest corner of the Southwest Quarter of the Northwest Quarter of Section 11, Township 21 South, Range 10 West Huntsville Meridian, Tuscaloosa County, Alabama; thence in southerly direction, along and with the West line of said Quarter-Quarter section 484.15 feet to the Point of Beginning; thence with a deflection of 86°31'44" left, 370.00 feet to a point; thence with a deflection of 86°35'45" right 359.47 feet to the northerly right-of-way margin of U.S. Highway 82 By-Pass; thence with a deflection of 94°20'59" right, and along and with said right-of-way margin, 370.00 feet to a point; thence with a deflection of 85°35'00" right, leaving said right-of-way margin, 353.38 feet to the Point of Beginning.

PARCEL II:

Commence at the Northwest corner of the Southwest Quarter of the Northwest Quarter of Section 11, Township 21 South, Range 10 West Huntsville Meridian, Tuscaloosa County, Alabama; thence in a southerly direction, along and with the West line of said Quarter-Quarter section 484.15 feet to a point; thence with a deflection of 86°31'44" left, 370.00 feet to the Point of Beginning; thence with a deflection of 86°35'45" right, 359.47 feet to the northerly right-of-way margin of U.S. Highway 82 By-Pass; thence with a deflection of 85°39'01" left, along and with said right-of-way margin 82.00 feet to a point; thence with a deflection of 94°16'18" left, leaving said right-of-way margin, 360.80 feet to a point; thence with a left deflection of 86°40'26" 82.40 feet to the Point of Beginning.

EXHIBIT B

[Events of Default]

The following shall constitute an “Event of Default” under this Agreement:

- (1) the Company defaults in the payment of interest on any Securities when the same becomes due and payable and the Default continues for a period of 30 days; or
- (2) the Company defaults in the payment of the principal amount of any Securities when the same becomes due and payable, at maturity, upon redemption or otherwise; or
- (3) the Company fails to observe or perform any other covenant or agreement contained in the Securities, this Indenture or any Collateral Document and the Default continues for a period of 30 days after written notice thereof specifying such Default has been given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the outstanding Securities; or
- (4) there shall be a failure to pay at the stated maturity (giving effect to any extensions thereof) the principal amount of any Indebtedness of the Company or any Subsidiary of the Company, or the acceleration of the stated maturity of any such Indebtedness (which acceleration is not rescinded, annulled or otherwise cured within 10 days of receipt by the Company of notice of any such acceleration), if the aggregate principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at stated maturity or which has been accelerated, aggregates \$5,000,000 or more at any time; or
- (5) one or more judgments in an aggregate amount in excess of \$5,000,000 (which are not covered by insurance as to which the insurer has not disclaimed coverage) shall have been rendered against the Company or any of its Subsidiaries and such judgments remain undischarged or unstayed for a period of 60 days after such judgment or judgments become final and non-appealable; or
- (6) the Company or any Subsidiary (A) admits in writing its inability to pay its debts generally as they become due, (B) commences a voluntary case or proceeding under any Bankruptcy Law with respect to itself, (C) consents to the entry of a judgment, decree or order for relief against it in an involuntary case or proceeding under any Bankruptcy Law, (D) consents to the appointment of a Custodian of it or for substantially all of its property, (E) consents to or acquiesces in the institution of a bankruptcy or an insolvency proceeding against it, (F) makes a general assignment for the benefit of its creditors, or (G) takes any corporate action to authorize or effect any of the foregoing; or
- (7) a court of competent jurisdiction enters a judgment, decree or order for relief in respect of the Company or any Subsidiary in an involuntary case or proceeding under any Bankruptcy Law, which shall (A) approve as properly filed a petition seeking reorganization, arrangement, adjustment or composition in respect of the Company or any Subsidiary, (B) appoint a Custodian of the Company or any Subsidiary or for substantially all of its property or (C) order the winding-up or liquidation of its affairs; and such judgment, decree or order shall remain unstayed and in effect for a period of 60 consecutive days.

Statement Regarding Values

For purposes of determining each county's proportionate share of the mortgage filing privilege tax, the following are the values and relative percentages attributable to the property located in each county:

County	Value of Property	Percentage of Total Alabama Value
Butler	\$240,000	6.7%
Shelby	\$1,700,000	47.7%
Tuscaloosa	\$1,625,000	45.6%
Totals	\$3,565,000	100%