

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

SC HEALTHCARE HOLDING, LLC *et al.*,

Debtors.¹

Chapter 11

Case No. 24-10443 (TMH)

Jointly Administered

Ref. Docket No. 1678

**CERTIFICATION OF COUNSEL SUBMITTING
FINAL SETTLEMENT DOCUMENTATION**

On March 25, 2025, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed the *Debtors’ Combined Disclosure Statement and Chapter 11 Plan of Liquidation* [Docket No. 1365] (as amended, supplemented, or modified from time to time, the “Combined Disclosure Statement and Plan”) with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). The Debtors filed amended versions of the Combined Disclosure Statement and Plan on April 16, 2025 [Docket No. 1398] and on April 21, 2025 [Docket No. 1410] (the “Amended Combined Disclosure Statement and Plan”).²

On June 11, 2025, the Bankruptcy Court entered the *Findings of Fact, Conclusions of Law, and Order Confirming the Debtors’ Combined Disclosure Statement and Chapter 11 Plan of Liquidation, and Granting Related Relief* [Docket No. 1678] (the “Confirmation Order”), thereby confirming the Amended Combined Disclosure Statement and Plan. Attached as Exhibit E to the

¹ The last four digits of SC Healthcare Holding, LLC’s tax identification number are 2584. The mailing address for SC Healthcare Holding, LLC is c/o Petersen Health Care Management, LLC, P.O. Box 620, Delavan, IL 61734. Due to the large number of debtors in these Chapter 11 Cases, whose cases are being jointly administered, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information is available on a website of the Debtors’ claims and noticing agent at <http://www.kccllc.net/Petersen>.

² Capitalized terms used but not otherwise defined herein have the meaning given to such terms in the Confirmation Order (as defined below).



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Confirmation Order was a settlement term sheet (the “Settlement Term Sheet”) setting forth the terms of the settlement between the Debtors, the Official Committee of Unsecured Creditors, and Mark Petersen (the “Settlement”).

As a condition precedent to the Effective Date, Section X.B.7 of the amended Combined Plan and Disclosure Statement requires the Debtors to file executed definitive documentation documenting the Settlement (the “Petersen Settlement Documentation”) along with a certification of counsel that such documentation does not material modify the terms of the Settlement Term Sheet.

WHEREFORE, attached hereto as **Exhibit A** is the Petersen Settlement Documentation. The Debtors’ undersigned counsel certifies that the Petersen Settlement Documentation does not materially modify the terms of the Settlement Term Sheet.

[Remainder of page intentionally left blank]

Dated: August 7, 2025
Wilmington, Delaware

Respectfully submitted,

**YOUNG CONAWAY STARGATT &
TAYLOR, LLP**

/s/ Shella Borovinskaya

Andrew L. Magaziner (No. 5426)
Shella Borovinskaya (No. 6758)
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253
Email: amagaziner@ycst.com
sborovinskaya@ycst.com

and

WINSTON & STRAWN LLP

Daniel J. McGuire (admitted *pro hac vice*)
Gregory M. Gartland (admitted *pro hac vice*)
35 W. Wacker Drive
Chicago, IL 60601
Telephone: (713) 651-2600
Facsimile: (312) 558-5700
T: (312) 558-5600
Email: dmcguire@winston.com
Email: ggartland@winston.com

and

Carrie V. Hardman (admitted *pro hac vice*)
200 Park Avenue
New York, New York 10166
Telephone: (212) 294-6700
Facsimile: (212) 294-4700
Email: chardman@winston.com

*Counsel for the Debtors and Debtors in
Possession*

EXHIBIT A

Petersen Settlement Documentation

EXECUTION VERSION**SETTLEMENT AGREEMENT****SC Healthcare Holding, LLC, et al.
Case No. 24-10443 (TMH) (Bankr. D. Del)**

This binding term sheet, dated as of August 7, 2025 is a global settlement agreement (the “Settlement Agreement”) among: (i) SC Healthcare Holding, LLC and its affiliated debtors and debtors in possession (collectively, the “Debtors”) in the jointly administered chapter 11 cases pending in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) under Case No. 24-10443 (TMH) (the “Chapter 11 Cases”); (ii) the Official Committee of Unsecured Creditors appointed in the Chapter 11 Cases (the “Committee”); (iii) Mark B. Petersen (“Mr. Petersen”); and (iv) all non-Debtor entities owned, whether directly or indirectly, by Mr. Petersen, including without limitation, Petersen Companies, LLC, Petersen Hotels, LLC, Plaza West Development, LLC, Petersen Hospitality, LLC, Candle Hospitality, LLC and Twenty Four Corp, LLC (collectively, the “Non-Debtor Affiliates,” and together with Mr. Petersen, the “Petersen Parties” and, individually, a “Petersen Party”). The parties to this Settlement Agreement are collectively referred to herein as the “Parties.”

This Settlement Agreement resolves all outstanding disputes concerning, among other things: (i) *Mark B. Petersen’s Motion for Allowance of Administrative Claim* [Docket No. 980] (the “Admin Expense Claim Motion”); (ii) *Mark B. Petersen’s Motion for an Order Dismissing the Chapter 11 Cases of Debtors War Drive, LLC, and Knoxville & Pennsylvania, LLC, Under Sections 305(a) and 1112(b) of the Bankruptcy Code* [Docket No. 989] (the “Motion to Dismiss”); (iii) Mr. Petersen’s and the Committee’s respective objections to confirmation [Docket Nos. 1635 and 1636] of the *Debtors’ Combined Disclosure Statement and Chapter 11 Plan of Liquidation* [Docket No. 1410] (as amended, modified, or otherwise supplemented, the “Plan”);¹ and (iv) the estate claims and causes of action and rights of recovery against the Petersen Parties asserted or that may be asserted by the Committee and the Debtors.

This Settlement Agreement shall be binding on, and enforceable against, the Parties as of the Effective Date of the Plan. The terms set forth herein are an integrated agreement and are not divisible.

General Framework & Implementation: The Bankruptcy Court has approved the non-binding Settlement Term Sheet by and through the order confirming the Plan (the “Confirmation Order”) pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure and the Settlement Agreement shall be binding and effective on the Effective Date of the Plan.

Promissory Note: *Principal Amount.* The Petersen Parties will execute a secured promissory note in the principal

¹ Capitalized terms used but not otherwise defined herein shall have the same meanings ascribed to such terms in the Plan.

sum of SIX MILLION SEVEN HUNDRED THOUSAND AND 00/100 DOLLARS (\$6,700,000.00) (the “Note”), of which (i) ONE MILLION TWO HUNDRED THOUSAND AND 00/100 DOLLARS (\$1,200,000.00) will be in favor of the Debtors’ estates (the “Estates Principal”); and (ii) FIVE MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$5,500,000.00) will be in favor of the Liquidating Trust (the “LT Principal”). A copy of the Note is attached hereto as Exhibit A.

Priority of Payment. The Petersen Parties shall first pay in full the Estates Principal, including any interest accrued and due thereunder, before making any payment on the LT Principal.

Maturity Date. The Note must be paid in full on or before December 7, 2025 (the “Maturity Date”).

Interest. In the event that the Note is not paid in full by December 7, 2025, interest shall accrue on the unpaid balance in an amount not less than nine percent (9%) per annum.

Enforcement. The Liquidating Trustee, on behalf of the Debtors’ Estates and the Liquidating Trust, as applicable, shall enforce the Note and may pursue collection thereunder and all other remedies available to the Liquidating Trustee at law or in equity if an Event of Default occurs, unless otherwise agreed with the Plan Administrator.

Collateral/Mortgages: The Note shall be guaranteed by mortgages on real property and security interests in other assets owned by the Petersen Parties, as agreed to by the Parties and which must be satisfactory to the Committee and Debtors, in their sole discretion, to secure payment of the Note (collectively, the “Petersen Parties’ Properties”). The form of mortgage to be recorded against the Petersen Parties’ Properties is attached hereto as Exhibit B. The list of Petersen Parties’ Properties to be pledged to secure the Note is attached hereto as Exhibit C.

All net proceeds of the sale (the “Net Sale Proceeds”) of the Petersen Parties’ Properties, and any real property owned by the Debtors that is sold, including but not limited to War Drive and K&P Properties, as defined below, (collectively, the “Estate Properties,” and together with the Petersen Parties’ Properties, the “Properties”), after first satisfying any senior mortgages on the Properties, shall be paid first to the Plan Administrator to pay the Estates Principal and second, after satisfaction in full of the Estates Principal, to the Liquidating Trustee to be applied to the LT Principal, with all such Net Sale Proceeds being transferred to the Plan Administrator and the Liquidating Trustee, as applicable, in connection with and upon closing of the sale of any of the Properties. The Net Sale Proceeds of any sale of Properties that are transferred to the Plan Administrator and the Liquidating Trustee, as applicable, shall be applied against, and reduce on a dollar-for-dollar basis, the principal amount owed by the Petersen Parties under the Note. For the avoidance of doubt, the Petersen Parties shall have no obligation to transfer any proceeds beyond what is due and owing under the Note.

**Stipulation and Consent
Judgment:**

Upon the occurrence of an Event of Default, which occurs after any applicable cure or grace period, under the Note, the Mortgage or this Settlement Agreement, the Liquidating Trust shall be entitled to seek entry of a Stipulation and Consent Judgment against the Petersen Parties for the outstanding principal amount of the Note and all accrued and unpaid interest due and owing under the Note, plus expenses, including without limitation, all costs and reasonable attorneys’ fees, incurred by the Plan Administrator and the Liquidating Trust until such time as the Stipulation and Consent Judgment is fully and finally satisfied. The Petersen Parties shall freely, voluntarily, irrevocably, and unconditionally consent to the jurisdiction of the Bankruptcy Court and entry of the Stipulation and Consent Judgment against them by the Bankruptcy Court. Except with respect to whether an Event of Default has occurred in the Note, the Mortgage or this Settlement Agreement,

the Petersen Parties shall expressly and irrevocably waive any defenses to the entry of the Stipulation and Consent Judgment, and all claims and causes of action against the Plan Administrator and the Liquidating Trust related to the Note, the mortgages serving as collateral therefor, the Stipulation and Consent Judgment, or that may otherwise be asserted by the Petersen Parties. The Stipulation and Consent Judgment shall be held in escrow by the Liquidating Trust and released to the Petersen Parties upon payment in full of the Note and satisfaction of all other obligations owing under the Settlement Agreement and all definitive documentation related thereto. The form of Stipulation and Consent Judgment is attached hereto as Exhibit D.

**Mr. Petersen's
Administrative Expense
Claim:**

Mr. Petersen's administrative expense claim for outstanding postpetition rent purportedly owed to him by Debtor Petersen Health Care Management, LLC (the "Administrative Expense Claim") shall be Allowed in the amount of \$253,157.91; provided, however, the Petersen Parties irrevocably and forever waive any and all rights to a distribution on the Administrative Expense Claim and any other administrative expense or priority claims the Petersen Parties may have. For the avoidance of doubt, Mr. Petersen will recover zero dollars (\$0.00) from the estates on account of his Administrative Expense Claim. Mr. Petersen shall seek the entry of an order allowing his Administrative Expense Claim consistent with the Settlement Agreement, including without limitation, an explicit disclaimer of any distribution thereon.

**Sale of War Drive and
K&P Properties:**

On the Effective Date of the Plan, Mr. Petersen shall file a notice of withdrawal with prejudice of his Motion to Dismiss. The Plan Administrator and Mr. Petersen, jointly in cooperation with each other, shall sell all real property and any assets located thereon owned by Debtors War Drive, LLC and Knoxville & Pennsylvania, LLC (collectively, the "War Drive and K&P Properties"), and after the payment of any prior mortgages, one hundred percent (100%) of the remaining Net Sale

Proceeds of all such sales shall be paid to the Plan Administrator to be applied against, and reduce on a dollar-for-dollar basis, the Estates Principal owed by the Petersen Parties under the Note. After the Estates Principal is paid in full, then all remaining Net Sale Proceeds from the sale(s) of one or more War Drive and K&P Properties shall be paid to the Liquidating Trust to be applied against, and reduce on a dollar-for-dollar basis, the LT Principal owed by the Petersen Parties under the Note.

Mr. Petersen and the Liquidating Trustee shall each have consent rights with respect to the purchase price offered for the War Drive and K&P Properties. Mr. Petersen and the Liquidating Trustee shall not unreasonably withhold their consent to the sale of the War Drive and K&P Properties. In the event Mr. Petersen or the Liquidating Trustee do not consent to the proposed sale amount for any of the War Drive and K&P Properties, the Bankruptcy Court shall determine whether the sale of the War Drive and K&P Properties, as applicable, shall be approved over Mr. Petersen's and/or the Liquidating Trustee's objection.

The process for the sale of War Drive and K&P Properties shall be as follows:

- Mr. Petersen shall select the real estate brokerage firm to market and sell the properties;
- Mr. Petersen shall review all offers and determine what offer to accept, with the consent of the Plan Administrator and the Liquidating Trustee, and which consent shall not be unreasonably withheld; and
- Mr. Petersen shall negotiate all commercial terms of the purchase and sale agreements, with the consent of the Plan Administrator and the Liquidating Trustee, and which consent shall not be unreasonably withheld.

If Mr. Petersen does not have a Purchase and Sales Agreement (“PSA”) signed on or before August 31, 2025 for the sale of either War Drive or K&P, then effective as of August 31, 2025, the Plan Administrator shall have full authority to market for sale that property, either War Drive or K&P, or both, that do not have a PSA signed by August 31, 2025. In the event a PSA is not signed on or before August 31, 2025, the Plan Administrator shall be required to obtain Mr. Petersen’s and the Liquidating Trustee’s consent to any PSA that the Plan Administrator enters into after August 31, 2025, which consent shall not be unreasonably withheld.

Assuming a PSA has been entered into on or before August 31, 2025, if the closing of the properties has not occurred on or before October 31, 2025, then effective as of October 31, 2025, the Plan Administrator shall have full authority to either close the respective property under the PSA or market for sale that property, either War Drive or K&P, or both, that have not closed under the PSA by October 31, 2025. In the event a closing under the PSA does not occur by October 31, 2025, the Plan Administrator shall be required to obtain Mr. Petersen’s and the Liquidating Trustee’s consent to any changes in the PSA that the Plan Administrator enters into after October 31, 2025, which consent shall not be unreasonably withheld.

At any time prior to the sale of War Drive & K&P Properties, Mr. Petersen shall have the right but not the obligation to purchase both War Drive and K&P for a total net purchase price of \$1,200,000 (including net of any secured debt against the properties), such that the Plan Administrator or the Liquidating Trustee, as applicable, receives a total of \$1,200,000 cash to be applied to reduce the amounts due and owing under the Note. If either property is sold, the net purchase price of the unsold property under this paragraph shall be \$1,200,000 minus any proceeds generated and applied to the Note from the sale of War Drive or K&P. If Mr. Petersen exercises this option, the Parties shall cause the War Drive and K&P

Properties to be transferred, assigned, and conveyed to Mr. Petersen, after which the Debtors shall have no further right, title, or interest in the War Drive and K&P Properties, and any amounts paid hereunder shall reduce the Note on a dollar for dollar basis.

The Parties agree that if the Note is fully paid and satisfied before the sale of the War and K&P Properties, the Parties shall cause the War and K&P Properties to be transferred, assigned, and conveyed to Mr. Petersen, after which the Debtors shall have no further right, title, or interest in the War and K&P Properties. Further, in no event shall the Estate be entitled to any proceeds beyond what is due and owing under the Note.

**Certain Asset Transfers to
Individuals:**

The Parties agree that the following assets can be transferred as set forth below:

- (a) MariKay Snyder (“Ms. Snyder”) shall receive the 2014 Range Rover with license plate number PHCLAW and VIN number SALWR2RF0EA383430 (the “Vehicle”) and the Debtors shall, as soon as practicable after the Effective Date of the Plan, transfer the Vehicle to Ms. Snyder, after which the Debtors shall have no further right, title, or interest in the Vehicle and the Vehicle shall belong to Ms. Snyder. The Vehicle shall not vest in the Liquidating Trust on the Effective Date of the Plan.
- (b) Doug Currier (“Mr. Currier”) shall receive Westgate Lot 7, Parcel Number 25-05-284-018 located at 915 Westgate Dr. Kewanee, IL 61443 (“Westgate Lot 7”) and the Debtors shall, as soon as practicable after the Effective Date of the Plan, transfer Westgate Lot 7 to Mr. Currier, after which the Debtors shall have no further right, title, or interest in Westgate Lot 7 and Westgate Lot 7 shall belong to Mr. Currier. Westgate Lot 7 shall not vest in the Liquidating Trust on the Effective Date of the Plan.

(c) In full and final resolution of *Robert Gregory Wilson's Limited Objection to Confirmation of Debtors' Combined Disclosure Statement and Chapter 11 Plan of Liquidation* [Docket No. 1612], and Greg Wilson's ("Mr. Wilson") claims therein, (a) as part of his compensation as a former executive employed by the Debtors, Mr. Wilson was the insured beneficiary of an AXA Equitable life insurance policy (the "Policy") that was in the name of one or more of the Debtors, and (b) the Debtors shall, as soon as practicable after entry of the confirmation order but in any event prior to the Effective Date of the Plan, transfer the Policy to Mr. Wilson, after which the Debtors shall have no further right, title or interest in the Policy and the Policy shall belong to Mr. Wilson. The Policy shall not vest in the Liquidating Trust on the Effective Date of the Plan.

**Claims Under Policies
Issued by Neeley:**

The automatic stay and confirmation injunction shall be lifted to allow claims under policies of insurance issued by Neeley to be resolved by the Commissioner of the Vermont Department of Financial Regulation, in his capacity as the court-appointed liquidator of Neeley (the "Neeley Liquidator"). Subject to the supervision of the Vermont court, the Neeley Liquidator shall have the authority and discretion to determine the coverage available and settle such claims and use Neeley's assets to resolve claims, in accordance with law, without Mr. Petersen's consent or approval. To the extent that assets remain after the satisfaction of Neeley's obligations, including settlement of claims under the coverage afforded by Neeley, and the Note has not been paid in full, all such remaining amounts shall be remitted to the Plan Administrator or the Liquidating Trust, as applicable, to pay the amounts due and owing under the Note and if such Note has been repaid in full, such excess funds shall be remitted to Mr. Petersen or as otherwise directed by Mr. Petersen.

- Effective Date Payment to Liquidating Trust:** On the Effective Date of the Plan, the Debtors shall pay or cause to be paid to the Liquidating Trust FOUR HUNDRED THOUSAND AND 00/100 DOLLARS (\$400,000.00) cash. This payment is not subject to repayment or recoupment.
- Release by the Petersen Parties:** Except with respect to the obligations imposed under the Settlement Agreement and the Plan (including but not limited to Section 3.11 of the Plan and the Plan Administrator's obligation to file all tax returns), and immediately upon the Effective Date of the Plan, the Petersen Parties and each of their respective affiliates, subsidiaries, partners, members, shareholders, officers, directors, employees, agents, attorneys, successors, parent companies, subsidiaries, predecessors, heirs and assigns, shall unconditionally, fully, finally, irrevocably, and absolutely release, waive, forgive, and forever discharge the Committee and the Debtors and their estates (including, without limitation, their respective successor and assigns (including for the avoidance of doubt, the Plan Administrator and the Liquidating Trust), employees, members, advisors, agents, attorneys, and professionals) from and against all claims, liabilities, causes of action, obligations, costs, losses, damages, injuries, or other legal responsibilities, in any form whatsoever, whether sounding in tort or in contract, whether matured or unmatured, whether at law or in equity, whether known or unknown, unforeseen, unanticipated, unsuspected or latent, which the Petersen Parties ever had, now have, or may ever have as of the Effective Date of the Plan.
- Releases by the Debtors, Their Estates, the Plan Administrator, and the Liquidating Trustee:** Except with respect to the obligations imposed under the Settlement Agreement (including the \$6.7 million collection cap set forth below), the Debtors, for themselves and on behalf of their Estates, and effective upon satisfaction, in full, of all obligations of the Settlement Agreement, including without limitation, payment in full of the Note, shall release the Petersen Parties and the

Petersen Released Parties² from all Causes of Action (as defined in the Plan).

Except with respect to the obligations imposed under the Settlement Agreement (including the \$6.7 million collection cap set forth below), and immediately upon satisfaction, in full, of all obligations of the Settlement Agreement, including without limitation, payment in full of the Note, the Plan Administrator and the Liquidating Trustee shall unconditionally, fully, finally, irrevocably, and absolutely release, waive, forgive, and forever discharge the Petersen Parties and the Petersen Released Parties (including, without limitation, their respective employees, members, advisors, agents, attorneys, and professionals) from and against all claims, liabilities, causes of action, obligations, costs, losses, damages, injuries, or other legal responsibilities, in any form whatsoever, whether sounding in tort or in contract, whether matured or unmatured, whether at law or in equity, whether known or unknown, unforeseen, unanticipated, unsuspected or latent, which the Committee or the Debtors ever had, now have, or may ever have as of the Effective Date of the Plan.

Event of Default: Each of the following occurrences shall constitute an event of default (each, an “Event of Default”) under the Settlement Agreement:

- (a) Mr. Petersen shall attempt to recover on his Administrative Expense Claim;
- (b) an Event of Default under the Note or the Mortgage, which has not been cured by the terms of the Note or Mortgage, as applicable;
- (c) Any of the Petersen Parties attempts to sell, transfer, assign, encumber, mortgage, pledge, lease, or otherwise dispose of or impair any interest in the Properties, except in order to satisfy the Note, or other assets,

² The term “Petersen Released Parties” as used herein shall include all the persons and entities included on Schedule 1 to this Settlement Agreement.

except as expressly permitted under the Settlement Agreement and the definitive documentation or with the consent of the Plan Administrator and the Liquidating Trustee, as the case may be;

- (d) The Petersen Parties attempt to challenge, delay, vacate, set aside, or otherwise interfere with the filing, entry, or enforcement of the Stipulation and Consent Judgment upon the occurrence of any Event of Default, except to contest whether an Event of Default has occurred;
- (e) The Petersen Parties fail or cause to fail to transfer the Net Sale Proceeds as set forth in and in accordance with the Settlement Agreement upon the closing of any sale of Properties; or
- (f) An Insolvency Proceeding (as defined below) is filed by or against a Petersen Party; *provided, however*, such filing shall be an Event of Default against only the Petersen Party that filed an Insolvency Proceeding (as defined below) or had an Insolvency Proceeding (as defined below) filed against him or it, as applicable.

Remedies: Upon the occurrence of an Event of Default and at any time thereafter, the Plan Administrator and the Liquidating Trustee, on behalf of the Liquidating Trust, may exercise any one or more of the following rights and remedies, none of which represent an exhaustive list of all such rights and remedies the Plan Administrator and the Liquidating Trust may have:

- (a) The Plan Administrator and the Liquidating Trust shall be entitled to file and obtain immediate entry of the Stipulation and Consent Judgment in the Bankruptcy Court and to enforce all rights thereunder with the only grounds available to the Petersen Parties to contest such

notice being whether an Event of Default did occur;

- (b) Declare all unmatured obligations under the Note to be immediately due and payable, along with all accrued interest thereunder, and the same shall thereupon be immediately due and payable, without presentment or other notice or demand; and
- (c) Taking all necessary steps to immediately foreclose on the Properties, subject to the terms of the Note and the Mortgage.

If any Petersen Party (a) commences a bankruptcy case, assignment for the benefit of creditors, receivership or similar federal or state proceeding or (b) an involuntary bankruptcy case, receivership or other similar federal or state proceeding is filed against any Petersen Party and not dismissed within thirty (30) days after such filing (each, an “Insolvency Proceeding”), and, as part of any such Insolvency Proceeding, any of the terms of this Settlement Agreement are avoided or otherwise deemed unenforceable, including, without limitation, any security interests, liens, mortgages, pledges or other similar documents granted to secure the Note, the Liquidating Trustee shall have an allowed general unsecured claim in the amount of \$130 million claim (subject to a collection cap of \$6.7 million plus, if applicable, interest as provided herein) against any such Petersen Party in its Insolvency Proceeding and the terms of this Settlement Agreement shall be deemed null and void as to such Petersen Party; *provided that* the Settlement Agreement shall remain valid and enforceable as to any Petersen Party that does not commence an Insolvency Proceeding or have an Insolvency Proceeding commenced against them and there shall be no Event of Default hereunder against any such Petersen Party that has not commenced an Insolvency Proceeding or had an Insolvency Proceeding commenced against them.

Resolution of Objections: Upon entry of the confirmation order, Mr. Petersen and the Committee shall each (a) withdraw their

objections to confirmation of the Plan and (b) not make or file any motion or objection contrary to or against Plan confirmation (to the extent not inconsistent with the Settlement Agreement) or that is otherwise inconsistent with the Settlement Agreement. Mr. Petersen shall reserve all rights to file subsequent pleadings and/or objections, to the extent the definitive documents contemplated herein are not agreed to and executed amongst the Parties.

Binding Effect The Settlement Agreement shall be binding on the Parties and their heirs, successors, assigns, and marital communities. Each of the persons executing this Settlement Agreement has express authority to bind each of the Parties to this Settlement Agreement.

Free and Voluntary Each Party represents that its execution of this Settlement Agreement is free and voluntary, and each has been advised by counsel, or had the opportunity to obtain the advice of counsel. Except as expressly stated in this Settlement Agreement, no promise or inducement is or has been made by or to any Party to enter into this Settlement Agreement. This Settlement Agreement has been mutually negotiated and drafted by the Parties and there shall be no presumption that the Agreement be construed for or against any Party.

Entire Agreement This Settlement Agreement expresses the entire understanding of the Parties hereto and shall replace and supersede any and all prior negotiations, communications, former agreements, understandings, and representations, whether written or oral, relating in any way to the subject matter hereof. No modification, alteration, or amendment of this Settlement Agreement shall be valid or binding unless it is in writing and signed by the Party to be charged with such modification, alteration, or amendment.

Attorneys' Fees Each Party shall bear its own attorneys' fees and costs incurred with regard to the preparation and

approval of this Settlement Agreement and all ancillary agreements.

Governing Law This Settlement Agreement shall be governed by and construed in accordance with the laws of Delaware, without reference to conflict of law rules.

Jurisdiction The Parties agree that the Bankruptcy Court shall have sole and exclusive jurisdiction over all matters pertaining to the implementation, interpretation, and enforcement of this Settlement Agreement, including any disputes relating to this Settlement Agreement, and each of the Parties hereby submits to the exclusive jurisdiction of the Bankruptcy Court for any such dispute and agrees that the Bankruptcy Court is a convenient forum for the resolution of any such dispute.

Best Efforts and Good Faith/Effective Date Condition Precedent: The Parties shall use their best efforts and exercise good faith to effectuate the terms of this Settlement Agreement and enter into any and all definitive documentation necessary to implement this Settlement Agreement on or before the Effective Date of the Plan. Execution of agreed upon documentation, in forms satisfactory to each of the Parties, in their sole discretion, effectuating the terms of this Settlement Agreement shall be a condition precedent to the Effective Date of the Plan.

Receiver Consent Neither the Plan Administrator nor the Liquidating Trustee shall consent to any waiver or the like, requested by the Receiver appointed by non-consenting lenders to the Bankruptcy process of any provisions of the Orders appointing the Receiver with respect to the Receiver's obligations to file state or federal tax or information returns.

[SIGNATURES ON FOLLOWING PAGE]

Agreed to on August 7, 2025:

GREENBERG TRAURIG, LLP

By: /s/ Nancy A. Peterman

Anthony W. Clark (DE Bar No. 2051)
Dennis A. Meloro (DE Bar No. 4435)
222 Delaware Avenue, Suite 1600
Wilmington, Delaware 19801
Tel: (302) 661-7000
anthony.clark@gtlaw.com
melorod@gtlaw.com

– and –

Nancy A. Peterman (admitted *pro hac vice*)
Danny Duerdoth (admitted *pro hac vice*)
360 North Green Street, Suite 1300
Chicago, IL 60607
Tel: (312) 456-8400
petermann@gtlaw.com
duerdothd@gtlaw.com

***Counsel to the Official Committee
of Unsecured Creditors***

SAUL EWING LLP

By: /s/ Barry A. Chatz

John D. Demmy (DE Bar No. 2802)
Paige N. Topper (DE Bar No. 6470)
1201 N. Market Street, Suite 2300
Wilmington, DE 19899
Telephone: (302) 421-6800
Emails: john.demmy@saul.com
paige.topper@saul.com

– and –

Barry A. Chatz (admitted *pro hac vice*)
161 North Clark Street, Suite 4200
Chicago, IL 60601
Telephone: (312) 876-7100
Email: barry.chatz@saul.com

Counsel for the Petersen Parties

WINSTON & STRAWN LLP

By: /s/ Daniel J. McGuire

Daniel J. McGuire (admitted *pro hac vice*)
Gregory M. Gartland (admitted *pro hac vice*)
35 W. Wacker Drive
Chicago, IL 60601
Telephone: (312) 558-5600
Facsimile: (312) 558-5700
Email: dm McGuire@winston.com
Email: ggartland@winston.com

– and –

Carrie V. Hardman (admitted *pro hac vice*)
200 Park Avenue
New York, New York 10166
Telephone: (212) 294-6700
Facsimile: (212) 294-4700
Email: chardman@winston.com


***Co-Counsel for the Debtors and Debtors in
Possession***

[Signatures Continue on Following Page]


MARK B. PETERSEN, INDIVIDUALLY

By: 
Mark B. Petersen


PETERSEN COMPANIES, LLC

By: 
Name: Mark B. Petersen
Title: Authorized Signatory


PETERSEN HOTELS, LLC

By: 
Name: Mark B. Petersen
Title: Authorized Signatory

PLAZA WEST DEVELOPMENT, LLC

By: 
Name: Mark B. Petersen
Title: Authorized Signatory


PETERSEN HOSPITALITY, LLC,

By: 
Name: Mark B. Petersen
Title: Authorized Signatory

CANDLE HOSPITALITY, LLC

By: 
Name: Mark B. Petersen
Title: Authorized Signatory

TWENTY FOUR CORP, LLC

By: 
Name: Mark B. Petersen
Title: Authorized Signatory

SCHEDULE 1

Petersen Released Parties

Vicki Hosek (*f/k/a* Vicki Petersen)

Chloe Petersen

Campbell Petersen

Delaney Washam

Anne Parks

David Petersen

All non-debtor entities owned or controlled by Mark Petersen.

Exhibit A

PROMISSORY NOTE

\$6,700,000.00

_____, 2025

FOR VALUE RECEIVED, the parties listed on Schedule A attached hereto (collectively, the “**Petersen Parties**”), promise to pay to the order of David Campbell, in his capacity as the Plan Administrator, or Dan Dooley, in his capacity as Liquidating Trustee (which term shall also include any subsequent holder of this Promissory Note, “**Note Holder**,”), the principal sum of SIX MILLION SEVEN HUNDRED THOUSAND AND 00/100 DOLLARS (\$6,700,000.00) (the “**Settlement Amount**”), with interest thereon until paid as set forth in this Promissory Note (this “**Note**”).

1. Interest.

(a) Upon the occurrence of an Event of Default (as hereinafter defined), including, but not limited to, a failure of the Petersen Parties to pay as and when due all of the outstanding principal balance of the Settlement Amount and all other sums then due and owing to Note Holder under this Note, the Mortgages (as hereinafter defined), that certain Settlement Agreement dated as of _____, 2025, among (i) SC Healthcare Holding, LLC and its affiliated debtors and debtors in possession in the jointly administered chapter 11 cases pending in the United States Bankruptcy Court for the District of Delaware under Case No. 24-10443 (TMH); (ii) the Official Committee of Unsecured Creditors appointed in the Chapter 11 Cases; (iii) Mark B. Petersen (“**Mr. Petersen**”); and (iv) all non-Debtor entities owned, whether directly or indirectly, by Mr. Petersen, including without limitation, Petersen Hotels, LLC, Petersen Hospitality, LLC, Plaza West Development, LLC, Petersen Companies, LLC, Candle Hospitality, LLC, and Twenty Four Corp, LLC (the “**Settlement Agreement**”), and all other documents or instruments given or made by any Petersen Party to evidence or to secure the Settlement Amount, and in any renewal, modification, restatement or extension of any of the foregoing (together with this Note, the Mortgages, and the Settlement Agreement, collectively, the “**Settlement Documents**”), on the date of Maturity, (i) interest shall accrue and be payable on the outstanding principal balance of this Note at an annual rate (the “**Interest Rate**”) equal to nine percent (9%) and (ii) all such interest shall become due and payable immediately.

(b) Interest shall be calculated based upon a three hundred sixty five (365) or three hundred sixty six (366) day year and charged for the actual number of days elapsed.

(c) Notwithstanding any other provision herein to the contrary, no interest shall accrue or be payable hereunder until the earlier of (i) the Stated Maturity Date, or (ii) an Event of Default.

2. Repayment. Upon Maturity (as hereinafter defined), and unless the Settlement Amount has been sooner prepaid in full by the Petersen Parties, the Petersen Parties shall pay in full to Note Holder the entire outstanding principal balance of the Settlement Amount, all accrued and unpaid interest, and all other sums then due and owing to Note Holder under this Note and the other Settlement Documents. At the option of the Petersen Parties, all or any portion of the unpaid

principal amount due under this Note and accrued interest thereon may be prepaid at any time or from time to time without premium or penalty.

3. Term.

(a) The term of this Note (the “**Term**”) shall be for a period commencing on the date hereof and expiring on December 7, 2025 (the “**Stated Maturity Date**”), or earlier upon acceleration of the Settlement Amount and this Note as set forth in Section 8.

(b) As used herein, the term “**Maturity**” shall mean the time at which the Petersen Parties are required to pay the Settlement Amount in full pursuant to the terms of this Note, whether by acceleration or on the Stated Maturity Date.

4. Application of Payments.

All payments on account of the Settlement Amount, including the indebtedness evidenced by this Note and the other Settlement Documents shall be applied (i) first, to any unpaid fees, late charges or costs (including, without limitation, reasonable attorneys’ fees) due hereunder or under any other Settlement Document that may be outstanding from time to time as Note Holder may elect; (ii) next, to accrued and unpaid interest; and (iii) next, to repay the principal balance of the Settlement Amount outstanding from time to time.

5. Place and Time of Payments.

(a) All payments required to be made pursuant to this Note shall be made to Note Holder during regular business hours, by wire transfer of United States Dollars, or by cashier’s check, or in coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public or private debts.

(b) If any payment of principal or interest shall be due on a day that is not a Business Day, such payment shall be made on the next succeeding business day, and in the case of a principal payment, such extension of time shall be included in computing interest in connection with such payment. Any payment of principal and interest received after five o’clock p.m. C.S.T. (or C.D.T. as the case may be) shall be deemed to have been received by Note Holder on the next succeeding Business Day and shall bear interest accordingly. Any payment tendered other than in coin or currency of the United States as aforesaid shall be accepted by Note Holder subject to collection and, if the check is returned, interest shall accrue until the Business Day on which good funds are available for immediate use by Note Holder on or before five o’clock p.m. C.S.T. (or C.D.T. as the case may be). As used herein, “**Business Day**” means any day (other than a Saturday or Sunday) on which national banks located in Delaware are required to be open to transact business.

(c) The Petersen Parties hereby expressly waive any and all rights to effect an accord and satisfaction of any secured obligation or any other debt of the Petersen Parties to Note Holder in accordance with section 3-311 of the UCC.

6. Security for Note.

The payment of this Note is secured in part by each Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing of even date herewith and listed on Schedule B attached hereto, each in favor of Note Holder encumbering the property set forth therein (collectively, the “**Mortgages**”) and the other Settlement Documents. All of the agreements, conditions, covenants, provisions and stipulations contained in the Settlement Documents are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein, and the Petersen Parties covenant and agree to keep and perform them or cause them to be kept and performed, strictly in accordance with their terms.

7. Events of Default.

Each of the following events shall constitute an event of default hereunder (each an “**Event of Default**”):

- (a) The Petersen Parties’ failure to pay (i) upon Maturity (whether by acceleration or otherwise), any unpaid principal or interest on this Note; or (ii) any other monetary obligation to the Note Holder under the this Note or any other Settlement Document when due and payable;
- (b) the occurrence of any other Event of Default (as defined in the Mortgages); or
- (c) any of the Petersen Parties’ failure to remit the net sale proceeds relating to the real property subject to Mortgages and in accordance with the Settlement Agreement.

8. Acceleration.

Upon the occurrence of an Event of Default, the unpaid principal amount of the Settlement Amount with interest and all other sums evidenced or secured by the Settlement Documents shall become immediately due and payable at the option of Note Holder. In the event of such acceleration, the Petersen Parties shall discharge their obligations to Note Holder by paying all sums due under this Note, the Mortgage, and the other Settlement Documents, together with interest at the Interest Rate accruing from the date of the occurrence of such Event of Default. Note Holder’s failure to exercise its option to accelerate the Settlement Amount as aforesaid upon the occurrence of an Event of Default shall not constitute a waiver of Note Holder’s right to exercise such option at any later time with respect to such Event of Default or with respect to any other subsequently occurring Event of Default.

9. Nature of Remedies.

The remedies of Note Holder as set forth in this Note, the Mortgage, any other Settlement Document, or at law or equity, shall be cumulative and concurrent, and may be pursued singly, successively, or together against any or all of the Petersen Parties, the security for the Settlement Amount, at the sole discretion of Note Holder.

10. Payment of Costs.

If, following the earlier of (i) the Stated Maturity Date, or (ii) an Event of Default, Note Holder: (a) employs counsel which Note Holder reasonably believes is necessary for advice or other representation (i) to represent Note Holder in any litigation, contest, dispute, suit, or proceeding or to commence, defend, or intervene or to take any other action in or with respect to any litigation, contest, dispute, suit or proceeding (whether instituted by Note Holder, the Petersen Parties or any other person) in any way or respect relating to this Note, any other Settlement Document, any collateral securing this Note or the Obligations under the Settlement Documents, or (ii) to enforce any rights of Note Holder against any Petersen Party; (b) takes any action to protect, collect, sell, liquidate, or otherwise dispose of any collateral securing this Note, the Mortgages or the obligations under the Settlement Documents; and/or (c) attempts to or enforces any of Note Holder's rights and remedies against any Petersen Party or any Obligor (as hereinafter defined), then in such event, the reasonable fees, costs and expenses incurred by Note Holder in any manner or way with respect to the foregoing shall be part of the indebtedness evidenced by this Note, payable by the Petersen Parties to Note Holder upon demand. Without limiting the generality of the foregoing, such fees, costs and expenses shall include reasonable fees, costs and expenses of attorneys, accountants, investigators and consultants; court costs and expenses; and court reporter fees, costs and expenses.

11. Waiver.

As to this Note, the Mortgages and any other Settlement Document, the Petersen Parties and each endorser, surety and guarantor hereof, if any, and each other person or entity who now is or may become liable for all or part of the Note or obligations under the Settlement Documents (collectively, the "**Obligors**"), severally waive all applicable exemption rights, whether under any state constitution, homestead Laws or otherwise, and also severally waive valuation and appraisal, presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Note, and expressly agree that the liability of each of them shall be unconditional, joint and several, without regard to the liability of any other party and shall not in any manner be affected by the maturity of this Note, or any indulgence, extension of time, renewal, waiver, or modification granted or consented to by Note Holder. Each of the Obligors hereby consents to each such indulgence, extension of time, renewal, waiver, or modification that may be granted by Note Holder with respect to the payment or other provisions of this Note or the other Settlement Documents, and to the release of collateral or any part thereof, with or without substitution, and agrees that additional makers, endorsers, guarantors or sureties may become parties hereto without notice to any Obligor or affecting any Obligor's liability hereunder. The Petersen Parties hereby authorize Note Holder, at any time after an Event of Default, to apply any money or other property which Note Holder may have or hold on deposit or otherwise for any Petersen Party to any payment of this Note or any of the Obligations under the Settlement Documents.

12. Waiver of Jury Trial.

THE PETERSEN PARTIES AND NOTE HOLDER (BY ITS ACCEPTANCE OF THIS NOTE) EACH WAIVE ALL RIGHTS TO TRIAL BY JURY OF ANY SUITS, CLAIMS, COUNTERCLAIMS, AND ACTIONS OF ANY KIND ARISING UNDER OR RELATING TO

THIS NOTE. THE PETERSEN PARTIES AND NOTE HOLDER EACH ACKNOWLEDGE THAT THIS IS A WAIVER OF A LEGAL RIGHT AND REPRESENTS TO THE OTHER THAT THIS WAIVER IS MADE KNOWINGLY AND VOLUNTARILY. THE PETERSEN PARTIES AND NOTE HOLDER EACH AGREE THAT ALL SUCH SUITS, CLAIMS, COUNTERCLAIMS, AND ACTIONS SHALL BE TRIED BEFORE A JUDGE OF A COURT OF COMPETENT JURISDICTION, WITHOUT A JURY.

13. Usury Limitations.

It is the intention of the parties to conform strictly to applicable usury laws from time to time in force, and all agreements between any Petersen Party and Note Holder, whether now existing or hereafter arising and whether oral or written, are hereby expressly limited so that in no contingency or event whatsoever, whether by acceleration of maturity hereof or otherwise, shall the amount paid or due to be paid to Note Holder, or collected by Note Holder, for the use, forbearance or detention of the Settlement Amount or otherwise, or for the payment or performance of any covenant or obligation contained herein or in any Mortgage or in any other Settlement Document, or in any other document evidencing, securing, or pertaining to the indebtedness evidenced hereby, exceed the maximum amount permissible under applicable usury laws. If under any circumstances whatsoever fulfillment of any provision hereof or of any Mortgage or any other Settlement Document, at the time performance of such provision shall be due, shall involve payment of an amount or any portion thereof in excess of the maximum rate of interest prescribed by law, then ipso facto, the payment to be made or the amount to be delivered to be fulfilled shall be reduced to such maximum rate; and if under any circumstances Note Holder shall ever receive an amount deemed interest, by applicable Law, that would exceed the highest lawful rate, such amount that would be excessive interest under applicable usury Laws shall be applied to the reduction of the principal amount owing hereunder or to other indebtedness secured by such Mortgage and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal and other indebtedness, the excess shall be deemed to have been a payment made by mistake and shall be refunded to the Petersen Parties or to any other person making such payment on the Petersen Parties' behalf. All sums paid or agreed to be paid to Note Holder for the use, forbearance or detention of the indebtedness of the Petersen Parties evidenced hereby, outstanding from time to time shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread from the date of disbursement of the proceeds of this Note until payment in full of such indebtedness so that the actual rate of interest on account of such indebtedness is uniform through the term hereof. The terms and provisions of this Section 13 shall control and supersede every other provision of all agreements (including the other Settlement Documents) between Note Holder and any Petersen Party and any endorser or guarantor of this Note.

14. Severability.

In case any provision (or any part of any provision) contained in this Note shall for any reason be held to be invalid, illegal, or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision (or remaining part of the affected provision) of this Note, but this Note shall be construed as if such invalid, illegal, or unenforceable provision (or part thereof) had never been contained herein but only to the extent it is invalid, illegal, or unenforceable.

15. GOVERNING LAW. THIS NOTE WAS NEGOTIATED IN PART IN THE STATE OF DELAWARE, AND THE SETTLEMENT AMOUNT WAS MADE BY NOTE HOLDER IN THE STATE OF DELAWARE, AND THE PROCEEDS OF THE SETTLEMENT AMOUNT DELIVERED PURSUANT HERETO HAVE BEEN AND WILL BE DISBURSED FROM THE STATE OF DELAWARE, WHICH STATE NOTE HOLDER AND THE PETERSEN PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS NOTE AND THE OTHER SETTLEMENT DOCUMENTS (OTHER THAN THOSE CONTAINING A CONTRARY EXPRESS CHOICE OF LAW PROVISION) SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF DELAWARE.

16. CONSENT TO JURISDICTION; LIMITATION ON JURISDICTION IN WHICH THE PETERSEN PARTIES MAY BRING A SUIT, ACTION, CLAIM OR PROCEEDING.

(a) WITH RESPECT TO ANY LEGAL OR EQUITABLE SUIT, ACTION, CLAIM OR PROCEEDING ARISING HEREUNDER OR UNDER THE OTHER SETTLEMENT DOCUMENTS, THE PETERSEN PARTIES (I) IRREVOCABLY SUBMIT TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE (THE “**DELAWARE BANKRUPTCY COURT**”) AND, TO THE EXTENT THE DELAWARE BANKRUPTCY COURT LACKS JURISDICTION, THE COURTS OF THE STATE OF DELAWARE AND THE UNITED STATES DISTRICT COURT LOCATED IN WILMINGTON, DELAWARE (COLLECTIVELY, THE “**CHOSEN COURTS**”), (II) AGREE THAT ALL SUCH SUITS, ACTIONS, CLAIMS OR PROCEEDINGS MAY BE HEARD AND DETERMINED IN THE DELAWARE BANKRUPTCY COURT OR THE OTHER CHOSEN COURTS AND (III) IRREVOCABLY WAIVE ANY (A) OBJECTION THAT THEY MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY SUIT, ACTION, CLAIM OR PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE OR ANY OTHER SETTLEMENT DOCUMENT BROUGHT IN DELAWARE BANKRUPTCY COURT OR IN ANY CHOSEN COURT AND (B) ANY CLAIM THAT ANY SUCH SUIT, ACTION, CLAIM OR PROCEEDING BROUGHT IN THE DELAWARE BANKRUPTCY COURT OR ANY CHOSEN COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTHING IN THIS NOTE WILL BE DEEMED TO PRECLUDE NOTE HOLDER FROM BRINGING ANY SUCH SUIT, ACTION, CLAIM OR PROCEEDING IN ANY OTHER COURT OR JURISDICTION.

(b) THE PETERSEN PARTIES HEREBY (I) AGREE THAT ANY LEGAL OR EQUITABLE SUIT, ACTION, CLAIM OR PROCEEDING BROUGHT BY ANY PETERSEN PARTY AND/OR ANY AFFILIATE THEREOF ARISING OUT OF OR RELATING TO THE SETTLEMENT AMOUNT, THIS NOTE OR ANY OF THE OTHER SETTLEMENT DOCUMENTS MAY ONLY BE INSTITUTED BY THE PETERSEN PARTIES OR SUCH AFFILIATE IN THE DELAWARE BANKRUPTCY COURT, OR TO THE EXTENT THAT THE DELAWARE BANKRUPTCY COURT LACKS JURISDICTION, THE COURTS OF THE STATE OF DELAWARE LOCATED IN WILMINGTON, DELAWARE OR THE UNITED STATES DISTRICT COURT LOCATED IN WILMINGTON, DELAWARE AND (II) IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE

LAW, ANY RIGHT TO BRING ANY SUCH SUIT, ACTION, CLAIM OR PROCEEDING AGAINST NOTE HOLDER IN ANY OTHER COURT OR JURISDICTION.

17. No Waiver by Note Holder.

No failure on the part of Note Holder to exercise any right or remedy hereunder, whether before or after the occurrence of an Event of Default shall constitute a waiver thereof, and no waiver of any past Event of Default shall constitute waiver of any future Event of Default or of any other Event of Default. No failure to accelerate the debt evidenced hereby by reason of Event of Default hereunder, or acceptance of a past due installment, or indulgence granted from time to time shall be construed to be a waiver of the right to insist upon prompt payment thereafter or to impose late charges retroactively or prospectively, or shall be deemed to be a novation of this Note or as a reinstatement of the debt evidenced hereby or as a waiver of such right of acceleration or any other right, or be construed so as to preclude the exercise of any right that Note Holder may have, whether by the laws of the State of Delaware, by agreement, or otherwise; and the Petersen Parties and each endorser or guarantor hereby expressly waives the benefit of any statute or rule of law or equity that would produce a result contrary to or in conflict with the foregoing. This Note may not be modified orally, but only by an agreement in writing signed by Note Holder and the Petersen Parties.

18. No Offsets.

No indebtedness evidenced by this Note shall be deemed to have been offset or shall be offset or compensated by all or part of any claim, cause of action, counterclaim or cross claim, whether liquidated or unliquidated, which the Petersen Parties may have or claim to have against Note Holder now or hereafter. Furthermore, in respect to the present indebtedness of, or any future indebtedness incurred by, any Petersen Party to Note Holder, the Petersen Parties waive, to the fullest extent permitted by Law, the benefits of any applicable law, regulation or procedure that substantially provides that, if (i) cross-demands for money have existed between persons at any time; (ii) neither demand was barred by the applicable statute of limitations; and (iii) an action is thereafter commenced by one such person, then the other may assert in his answer the defense of payment in that the two demands are compensated so far as they equal each other, notwithstanding that an independent action asserting the claim would at the time of filing the answer be barred by the applicable statute of limitations.

19. Loss, Theft, Destruction or Mutilation of Note.

The Petersen Parties shall, if this Note is mutilated, destroyed, lost, or stolen and Note Holder so certifies to the Petersen Parties in writing, promptly deliver to Note Holder, in substitution therefor, a new promissory note containing the same terms and conditions as this Note with a notation thereon of the unpaid principal and accrued and unpaid interest.

20. Relationship of Parties.

THE RELATIONSHIP BETWEEN THE PETERSEN PARTIES AND NOTE HOLDER IS, AND AT ALL TIMES SHALL REMAIN, SOLELY THAT OF DEBTOR AND CREDITOR, AND SHALL NOT BE, OR BE CONSTRUED TO BE, A JOINT VENTURE, EQUITY VENTURE, PARTNERSHIP OR OTHER RELATIONSHIP OF ANY NATURE.

21. Notices.

(a) Except for any notice required under applicable law to be given in another manner, any notice that Note Holder or the Petersen Parties may desire or be required to give under this Agreement to any other party hereto shall be in writing and shall be deemed to have been properly given, served and received (i) if delivered by hand, when delivered, (ii) if sent by reputable overnight courier (effective the business day following delivery to such courier) and (iii) if mailed by United States certified or registered mail, postage prepaid, return receipt requested, on the third business day after mailing:

If to the Petersen Parties: c/o Saul Ewing LLP
1201 N. Market Street, Suite 2300
Wilmington, DE 19899
Attn: John D. Demmy and Paige N. Topper

with copies to: c/o Saul Ewing LLP
161 North Clark Street, Suite 4200
Chicago, IL 60601
Attn: Barry A. Chatz

If to the Note Holder: c/o Greenberg Traurig, LLP
222 Delaware Avenue, Suite 1600
Wilmington, DE 19801
Attn: Anthony W. Clark and Dennis A. Meloro

with copies to: c/o Greenberg Traurig, LLP
360 North Green Street, Suite 1300
Chicago, IL 60607
Attn: Nancy A. Peterman and Danny Duerdoth

c/o Winston & Strawn LLP
35 W. Wacker Drive
Chicago, IL 60601
Attn: Daniel J. McGuire and Gregory M. Gartland

c/o Winston & Strawn LLP
200 Park Avenue
New York, NY 10166
Attn: Carrie V. Hardman

Any party may change the address to which notices may be sent by notice to the other party or parties as provided herein. Except as may be otherwise specifically required herein, notice to the Petersen Parties of the exercise of any right or option granted to Note Holder by this Note is not required.

22. Taxes, Withholding, etc.

If any treaty, law or any governmental rule, regulation, policy, guideline or directive, or any interpretation thereof, or compliance of Note Holder with such governmental rule, regulation, policy, guideline or directive shall, subject Note Holder to any tax, duty, charge or withholding on or from payments due from the Petersen Parties (excluding United States, state, local and city taxation of the net income of the Note Holder), or changes the basis of taxation of payments to the Note Holder in respect of the Settlement Amount or other amounts due Note Holder hereunder (other than a mere increase in the rates of taxation); then, within thirty (30) days of written demand by Note Holder (which demand shall be made within ninety (90) days following the date on which Note Holder has actual knowledge of the imposition or incurrence of any such cost or charge), the Petersen Parties shall pay Note Holder that portion of such increased expense incurred or reduction in an amount received which Note Holder reasonably determines is attributable to making, funding and maintaining the Settlement Amount.

23. Time of the Essence.

Time is of the essence to each and every provision of this Note.

24. Joint and Several.

The obligations of each Petersen Party under this Note shall be joint and several.

25. Captions.

All section and subsection captions are for convenience of reference only and shall not affect the construction of any provision herein.

26. Counterparts.

This Note may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same Note.

27. Note Holders.

This Note may be enforced by either Note Holder.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, each Petersen Party has caused this Promissory Note to be executed and delivered on its behalf as an instrument under seal on the date first written above.

THE PETERSEN PARTIES:

MARK B. PETERSEN, INDIVIDUALLY

By: _____
Mark B. Petersen

PETERSEN COMPANIES, LLC

By: _____
Name: Mark B. Petersen
Title:

PETERSEN HOTELS, LLC

By: _____
Name: Mark B. Petersen
Title:

PLAZA WEST DEVELOPMENT, LLC

By: _____
Name: Mark B. Petersen
Title:

PETERSEN HOSPITALITY, LLC,

By: _____
Name: Mark B. Petersen
Title:

CANDLE HOSPITALITY, LLC

By: _____
Name: Mark B. Petersen
Title:

TWENTY FOUR CORP, LLC

By: _____
Name: Mark B. Petersen
Title:

Schedule A – List of the Petersen Parties

1. Mark B. Petersen, an individual
2. Petersen Companies, LLC, an Illinois limited liability company
3. Petersen Hotels, LLC, an Illinois limited liability company
4. Plaza West Development, LLC, an Illinois limited liability company
5. Petersen Hospitality, LLC, a Delaware limited liability company
6. Candle Hospitality, LLC, an Illinois limited liability company
7. Twenty Four Corp, LLC, an Illinois limited liability company

Schedule B – List of Mortgages

1. Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of the date hereof by Petersen Companies, LLC, an Illinois limited liability company, to Note Holder with respect to property located in Peoria County, Illinois;
2. Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of the date hereof by Petersen Companies, LLC, an Illinois limited liability company, to Note Holder with respect to property located in Tazewell County, Illinois;

Exhibit B

PREPARED BY AND AFTER
RECORDING RETURN TO:

Martin J. Lee
Greenberg Traurig, LLP
360 North Green Street, Suite 1300
Chicago, Illinois 60607

(For Recorder's Use Only)

**MORTGAGE, ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**

by

PETERSEN COMPANIES, LLC,
an Illinois limited liability company, as Mortgagor
(**"Mortgagor"**)

to

DAVID CAMPBELL, in his capacity as the Plan Administrator, and
DAN DOOLEY, in his capacity as Liquidating Trustee,
as Mortgagee
(**"Mortgagee"**)

as of _____, 2025

ATTENTION: COUNTY CLERK - THIS MORTGAGE COVERS GOODS THAT ARE OR ARE TO BECOME FIXTURES ON THE REAL PROPERTY DESCRIBED HEREIN AND IS TO BE FILED FOR RECORD IN THE RECORDS WHERE MORTGAGES ON REAL ESTATE ARE RECORDED. ADDITIONALLY, THIS MORTGAGE SHOULD BE APPROPRIATELY INDEXED, NOT ONLY AS A MORTGAGE, BUT ALSO AS A FIXTURE FILING COVERING GOODS THAT ARE OR ARE TO BECOME FIXTURES ON THE REAL PROPERTY DESCRIBED HEREIN. THE MAILING ADDRESSES OF THE MORTGAGOR (DEBTOR) AND MORTGAGEE (SECURED PARTY) ARE SET FORTH IN THIS MORTGAGE.

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this “**Mortgage**”), is made as of _____, 2025, by PETERSEN COMPANIES, LLC, an Illinois limited liability company, having an address of 830 West Trailcreek Drive, Peoria, Illinois 61614 (“**Mortgagor**”), to DAVID CAMPBELL, in his capacity as the Plan Administrator, and DAN DOOLEY, in his capacity as Liquidating Trustee (each a “**Mortgagee**” and, together with its successors and assigns, including each and every holder from time to time of the Note described below, to be indexed as grantee and to be referred to hereinafter as “**Mortgagees**”).

BACKGROUND:

A. The parties listed on Schedule A attached hereto (collectively, the “**Petersen Parties**”) executed and delivered that certain Promissory Note, dated of even date, in the original principal amount of \$6,700,000.00 made by Petersen Parties and payable to Mortgagees (the “**Note**”) to evidence certain settlement amounts due to Mortgagees in the amount of \$6,700,000.00 (the “**Settlement Amounts**”) pursuant to that certain Settlement Agreement dated as of _____, 2025 among (i) SC Healthcare Holding, LLC and its affiliated debtors and debtors in possession in the jointly administered chapter 11 cases pending in the United States Bankruptcy Court for the District of Delaware under Case No. 24-10443 (TMH); (ii) the Official Committee of Unsecured Creditors appointed in the Chapter 11 Cases; (iii) Mark B. Petersen (“**Mr. Petersen**”); and (iv) all non-Debtor entities owned, whether directly or indirectly, by Mr. Petersen, including without limitation, Petersen Companies, LLC, Petersen Hotels, LLC, Plaza West Development, LLC, Petersen Hospitality, LLC, Candle Hospitality, LLC and Twenty Four Corp, LLC (the “**Settlement Agreement**”);

B. Mortgagor holds fee simple title to the real estate legally described on Exhibit A attached to and made a part of this Mortgage (the “**Land**”).

C. Mortgagees have required, among other things, that Mortgagor enter into this Mortgage and grant to Mortgagees a lien and security interest in and to the Land and other Mortgaged Property now or hereafter owned by Mortgagor to secure all of the following (all of which may be referred to collectively as the “**Obligations**”): (i) payment of the principal amount of the Settlement Amount evidenced by the Note and any amendments, restatements, modifications and supplements thereof, together with the interest thereon at the rate specified in the Note, and all fees, charges, and prepayment fees, if any, as provided in the Note or any other Settlement Document (as defined in the Note), (ii) payment of all other monies or sums provided to be paid by Mortgagor or Petersen Parties pursuant to the terms, provisions and conditions of the Settlement Documents (defined in the below), including, without limitation, this Mortgage, and (iii) performance of each and every obligation, agreement, promise, covenant, warranty, and representation now or hereafter due and owing, made or undertaken by Mortgagor or Petersen Parties as set forth in the Note, this Mortgage, the Settlement Agreement, and the other Settlement Documents (as defined in the Note).

Statement of Agreement:

NOW, THEREFORE, Mortgagor agrees with Mortgagees as follows:

1. **Definitions:** As used in this Mortgage, the following terms shall have the meanings indicated below:

“Agreements” shall mean all contracts, agreements, warranties, representations, service agreements, maintenance contracts and agreements relating to the use, occupancy, operation, management, leasing, repair and service of the Real Estate or any part thereof, whether presently existing or entered into after the date hereof.

“Bankruptcy Code” shall mean Title 11 of the United States Code entitled “Bankruptcy” as now or hereafter in effect or any successor code thereto.

“Fixtures” shall mean all furniture, furnishings, fixtures, appliances, machinery or equipment owned by Mortgagor which are now or at any time hereafter may be attached to or situated upon or affixed to the Real Estate, including, but not limited to, all signs, artwork, office furnishings and equipment, all partitions, screens, awnings, shades, blinds, floor coverings, hall and lobby equipment, heating, lighting, plumbing, ventilating, refrigerating, incinerating, elevator, escalator, air conditioning and communication plants or systems with appurtenant fixtures, vacuum cleaning systems, call systems, security systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials; all equipment, manual, mechanical or motorized, for the construction, maintenance, repair and cleaning of, any parking areas, walks, underground ways, truck ways, driveways, common areas, roadways, highways and streets; and all other items of personal property now or hereafter owned by Mortgagor located in or on the Real Estate and used or useful in the present or future occupancy, operation, maintenance and leasing thereof. Fixtures specifically excludes any of the aforementioned personal property not owned by Mortgagor or by a Peterson Party such as personal property owned by a tenant.

“Improvements” shall mean all other buildings, structures, fixtures, personalty, appurtenances and improvements now or hereafter on the Land.

“Intangibles” shall mean all the records and books of account now or hereafter maintained by Mortgagor in connection with the operation of the Real Estate or otherwise; all contract rights, rights to the payment of money including tax refund claims, insurance proceeds and tort claims, chattel paper, documents, instruments, general intangibles, together with all income therefrom, increases thereunder and proceeds thereof; and all judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of any of the Real Estate or any portion thereof under the power of eminent domain, any proceeds of any policies of insurance maintained with respect to any of the Real Estate and proceeds of any sale, option or contract to sell the Real Estate or any portion thereof.

“Land” shall mean the land legally described in Exhibit A hereto, together with all easements, air rights, servitudes, rights of way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way now or hereafter belonging, relating or appertaining to the Land, and the reversions, remainder, rents, issues and profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, of Mortgagor, in and to the same.

“Leases” shall mean all leases, subleases, licenses, rental agreements, franchise and occupancy agreements, concession agreements and other agreements, whether or not in writing, for the use or occupancy of all or any portion of the Real Estate affecting the use, enjoyment or occupancy of the Real Estate or any portion thereof now or hereafter made, whether made before or after the filing by or against Mortgagor of any petition for relief under Bankruptcy Code, together with any extension, renewal or replacement of the same.

“Mortgaged Property” shall mean all of Mortgagor’s right, title and interest in and to all of the Land, the Improvements, the Fixtures, the Agreements, the Plans, the Permits, the Intangibles, the Leases and the Rents, together with any and all proceeds of any and all of the foregoing, including, without limitation, any and all cash and non-cash consideration received from the sale, exchange, lease, collection or other disposition of any and all of the foregoing, any value received as a consequence of the possession of any of the foregoing, any payment received from any insurer or other person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any of the foregoing, and all equipment, machinery, furniture, inventory, other goods, fixtures, general intangibles, instruments, chattel paper, documents, accounts and all other property of any kind or nature which are acquired with any proceeds of any of the foregoing. Mortgaged Property shall also include all renewals, substitutions, improvements, accessions, attachments, additions, remainders, reversions, replacements and all proceeds to or of each of the foregoing, any greater estate in the Real Estate or any portion thereof that may be acquired by Mortgagor; and all conversions of the security constituted thereby so that, immediately upon such acquisition, construction, assemblage, placement or conversion, as the case may be, and in each such case, the foregoing shall be deemed a part of the Mortgaged Property and shall automatically become subject to the lien of this Mortgage as full and completely and with the same priority and effect as though now owned by Mortgagor and specifically described herein, without any further mortgage, assignment or conveyance by Mortgagor.

“Permits” shall mean all building permits, certificates of occupancy and other assignable governmental permits, licenses and authorizations, including, without limitation, all state, county and local occupancy certificates, and other licenses, in any way applicable to the Real Estate or any part thereof or to the development, construction, ownership, use, occupancy, operation, maintenance, and leasing of the Real Estate.

“Personal Property” shall mean such of the Mortgaged Property owned by Mortgagor and/or the Peterson Parties which constitutes personal property under the laws of the State, including the Intangibles and any and all proceeds of any and all of the foregoing, including, without limitation, any and all cash and non-cash consideration received from the sale, exchange, lease, collection or other disposition of any and all of the foregoing, any value received as a consequence of the possession of any of the foregoing, any payment received from any insurer or other person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any of the foregoing, and all equipment, machinery, furniture, inventory, other goods, fixtures, general intangibles, instruments, chattel paper, documents, accounts and all other property of any kind or nature which are acquired with any proceeds of any of the foregoing.

“Plans” shall mean all plans and specifications relating to the development and construction of the Real Estate.

“Real Estate” shall mean the Land, the Improvements and such other of the Mortgaged Property as constitutes real property under the laws of the State, together with any and all proceeds of any and all of the foregoing, including, without limitation, any and all cash and non-cash consideration received from the sale, exchange, lease, collection or other disposition of any and all of the foregoing, any value received as a consequence of the possession of any of the foregoing (including, without limiting the generality of the foregoing, any and all real estate tax abatements now or in the future accruing to the Real Estate), any payment received from any insurer or other person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any of the foregoing, and all equipment, machinery, furniture, inventory, other goods, fixtures, general intangibles, instruments, chattel paper, documents, accounts and all other property of any kind or nature which are acquired with any proceeds of any of the foregoing.

“Rents” shall mean absolutely and presently all rents, additional rents, revenues, income, issues and profits arising from the Leases and renewals and replacements thereof and any cash or security deposited in connection therewith, and together with all avails, rents, issues, cash collateral and profits arising from or accruing at any time hereafter by virtue of any agreement for the use or occupancy of the Real Estate or any portion thereof, and together with all fees, charges and compensation for the use of parking stalls or other parking privileges, and all of the foregoing whether paid or accruing before or after the filing by or against Mortgagor of any petition for relief under the Bankruptcy Code.

“State” shall mean the State of Illinois.

“Uniform Commercial Code” shall mean the Uniform Commercial Code in effect in the State.

2. Grant: As security for the Obligations, Mortgagor does hereby irrevocably grant, bargain, sell, mortgage, pledge, assign, warrant, transfer and convey the Mortgaged Property to Mortgagees, their successors and assigns, and grant a security interest to Mortgagees in, and a lien upon, all of the Mortgaged Property.

3. Assignment of Leases and Rents: Subject to Section 3(b) below, Mortgagor hereby absolutely and unconditionally sells, assigns and transfers unto Mortgagees all the Rents, now due and which may hereafter become due under or by virtue of any of the Leases, whether written or verbal, or any letting of, or of any agreement, whether written or oral, for the use or occupancy of the Mortgaged Property or any part thereof, which may be hereafter made or agreed to by Mortgagees under the powers herein granted, it being the intention hereby to establish an absolute transfer and assignment of all such Leases, and all the Rents, to Mortgagees, and not merely the passing of a security interest. Provided that Mortgagees comply with the Illinois Mortgage Foreclosure Law, IL Rev Stat 735 ILCS Section 5/15 - 1101 et seq. and obtains appropriate court order, Mortgagees may, (i) demand, sue for, attach, levy, recover, and receive all Rents and give proper receipts, releases, and acquittances therefor and after deducting expenses of collection, to the extent permitted by applicable law, to apply the net proceeds as a credit upon any portion of the Obligations selected by Mortgagees notwithstanding the fact that such portion of the

Obligations may not then be due and payable or that such portion of the Obligations is otherwise adequately secured, and Mortgagor does hereby authorize and direct any such lessee or purchaser to deliver such payment to Mortgagees and (ii) rent, lease, let or sell all or any portion of the Mortgaged Property to any party or parties at such rental or sale and upon such terms as said Mortgagees shall, in their discretion, determine, and to collect all of said Rents arising from or accruing at any time hereafter, and now due or that may hereafter become due under each and every of the Leases or otherwise, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as Mortgagees would have upon taking possession pursuant to the provisions of this Mortgage. The foregoing appointment is irrevocable and continuing and such rights, powers, and privileges shall be exclusive in Mortgagees, their successors and assigns. It is the intention of Mortgagor and Mortgagees that the assignment contained in this Section 3 be a present, unconditional, irrevocable and absolute assignment; neither obtaining possession of the Rents nor the appointment of a receiver shall be required for perfection.

(a) Nothing contained herein shall be construed as constituting Mortgagees a “mortgagee-in-possession” in the absence of the taking of actual possession of the Mortgaged Property by Mortgagees pursuant to this Mortgage. In the exercise of the powers herein granted Mortgagees, no liability shall be asserted or enforced against Mortgagees, all such liability being expressly waived and released by Mortgagor.

(b) Although it is the intention of the parties that the assignment contained in this Section 3 shall be a present absolute assignment, it is expressly understood and agreed, anything contained herein to the contrary notwithstanding, that Mortgagor shall have a license to collect such Rents until, and Mortgagees shall not exercise any of the rights or powers conferred upon it by this Section 3 until, an Event of Default shall have occurred and be continuing under this Mortgage, the Note, the Settlement Documents or any other instrument evidencing or securing the indebtedness secured hereby or delivered pursuant to any of the Settlement Documents.

4. Security Agreement: This Mortgage is both a real property Mortgage and, a “security agreement” within the meaning of the Uniform Commercial Code, and a “financing statement” within the meaning of the Uniform Commercial Code. The Mortgaged Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Mortgagor in the Mortgaged Property. By executing and delivering this Mortgage, Mortgagor hereby grants to Mortgagees, as security for the Obligations, a security interest in the Personal Property to the full extent that the Personal Property may be subject to the Uniform Commercial Code. The beneficial owner and holder of such security interest is Mortgagees, Mortgagees will be deemed the “secured party” with respect to such security interest for all purposes of the Uniform Commercial Code and will be so identified on all financing statements filed in connection therewith, and Mortgagees shall be entitled upon the occurrence of an Event of Default to exercise all the remedies of a secured party under the Uniform Commercial Code as well as all other rights and remedies available at law or in equity. The information contained in this Section 4 is provided in order that this Mortgage shall comply with the requirements of the Uniform Commercial Code for mortgages to be effective as financing statements filed as a fixture filing. The name of the “debtor” is Mortgagor; and the name of the “secured party” is Mortgagees; the mailing address of the “secured party” from which information concerning the security interest may be obtained and the mailing address of the “debtor” are as set forth in Section 43 below. The types, or the items,

of collateral covered hereby consist of the Personal Property and all other items set forth herein above in Section 1 which constitute fixtures or personal property. Mortgagor is the record owner of the Real Estate.

5. Conditions to Grant. TO HAVE AND TO HOLD the above granted and described Mortgaged Property unto Mortgagees, and the successors and assigns of Mortgagees, forever; to secure payment to Mortgagees of the Obligations at the time and in the manner provided for its payment in the Note and in this Mortgage, hereby expressly waiving and releasing any and all right, benefit, privilege, advantage or exemption under and by virtue of any and all statutes and laws of the state or other jurisdiction where the Mortgaged Property is located providing for the exemption of homesteads from sale on execution or otherwise; PROVIDED, HOWEVER, these presents are upon the express condition that, if Mortgagor shall well and truly pay to Mortgagees the Obligations (excluding those that are of an indemnity nature and are intended to survive the release of this Mortgage) at the time and in the manner provided in the Note, this Mortgage and the other Settlement Documents, shall well and truly perform the Obligations (excluding those that are of an indemnity nature and are intended to survive the release of this Mortgage) as set forth in this Mortgage and the other Settlement Documents and shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Note and the other Settlement Documents, these presents and the estate hereby granted shall cease, terminate and be void.

6. Payment and Performance of Obligations. Mortgagor shall pay when due, and shall duly and punctually perform and observe, all of the Obligations, including without limitation, all terms, provisions, conditions, covenants and agreements on Mortgagor's part to be performed or observed as provided in this Mortgage and in the other Settlement Documents; and this Mortgage shall secure such payment, performance and observance. Mortgagor shall cause Petersen Parties to pay when due, and duly and punctually perform and observe, all of the Obligations, including without limitation, all terms, provisions, conditions, covenants and agreements on Petersen Parties' part to be performed or observed as provided in this Mortgage and in the other Settlement Documents; and this Mortgage shall secure such payment, performance and observance.

7. Title to Mortgaged Property and the Lien of this Mortgage. Mortgagor covenants and represents that: (a) Mortgagor has fee simple title to all of the Real Estate; (b) Mortgagor is the sole owner with good title to all of the Personal Property, (c) Mortgagor has lawful authority to sell, assign, convey and mortgage the Mortgaged Property, and does hereby warrant generally, and agrees to defend, the Mortgaged Property and the title thereto, whether now leased or hereafter acquired, against all claims of any Person; (d) this Mortgage constitutes a valid, enforceable, lien against the Real Estate, and a valid, enforceable, lien and security interest in and to the Personal Property; and (e) all representations and warranties made by Mortgagor under this Mortgage shall be true and correct in all material respects at all times during the Settlement Amount Term (as defined in the Note).

8. Maintenance, Repair and Restoration. Mortgagor shall place and thereafter keep the Mortgaged Property in good condition, order and repair and as may be necessary to protect and preserve the value of the Mortgaged Property, causing all reasonably necessary repairs, alterations, renewals, replacement, additions, betterments and improvements to be made promptly thereto. Subject to the terms of this Mortgage and the Settlement Documents, and provided sufficient

insurance proceeds are available, Mortgagor shall promptly repair, restore or rebuild (or cause the same to be done) any of the Mortgaged Property which may become damaged or be destroyed from any cause whatsoever and pay when due all claims for labor performed and materials furnished therefor. Nothing herein is intended to limit any right Mortgagor may have to the use of insurance proceeds or condemnation awards to the extent set forth herein.

9. Use Violations or Alterations. Mortgagor shall not use, maintain, operate or occupy, or allow the use, maintenance, operation or occupancy of the Mortgaged Property in any manner which (a) violates any applicable laws; (b) creates a reasonable likelihood of danger unless safeguarded as required by applicable laws; (c) constitutes a public or private nuisance; (d) will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof, or will wholly or partially invalidate any insurance coverage required to be carried hereunder. Mortgagor shall not commit or permit any waste of the Mortgaged Property or any part thereof, whether commissive or permissive, and will not make or permit to be made any material alterations or additions to the Mortgaged Property. Mortgagor shall not abandon the Mortgaged Property or leave the Mortgaged Property unprotected, unguarded, vacant or deserted, and shall not allow any of the Mortgaged Property to be misused, abused or wasted, or to deteriorate.

10. Platting, Replatting, Subdivision and Resubdivision. Mortgagor shall not, without the consent of Mortgagees, impose any restrictions, agreements or covenants which run with the land upon the Land or the Improvements or any part thereof, nor plat, replat, subdivide, resubdivide or record condominium documents against the Land or any part thereof.

11. Compliance With respect to any agreement, documents or instruments encumbering or affecting the Mortgaged Property, Mortgagor shall (a) timely observe and perform all covenants and obligations contained therein in all material respects; (b) not take any action or fail to take any action if the taking of such action or failure to take such action would cause a default by Mortgagor thereunder, and (c) not exercise any rights or remedies thereunder which would be adverse to Mortgagees' interests, without the prior written consent of Mortgagees.

12. Real Estate Taxes, Assessments and Charges. Mortgagor shall pay, before any penalty, fine, interest or other cost for non-payment attaches, all real estate taxes, assessments and charges for the Mortgaged Property ("Real Estate Taxes").

13. Insurance Coverage.

(a) Mortgagor (i) will keep the Improvements and the Personal Property insured in a commercially reasonable manner with all-risk coverage against loss or damage by casualty in amounts which shall in no event be less than one hundred (100%) percent of the replacement cost of the Improvements and the Personal Property, and (ii) will maintain comprehensive general liability, rental and business interruption insurance and such other forms of insurance coverage with respect to the Property in a commercially reasonable manner (all insurance policies required to be maintained by Mortgagor pursuant to this Mortgage are collectively called, the "Policies" or in the singular, the "Policy").

(b) Mortgagor shall at all times comply with, and shall cause both the Property, and the use, occupancy, operation, maintenance, alteration, repair and restoration of the Mortgagor, to comply

with, the terms, conditions, stipulations and requirements of the Policies. Each Policy shall be issued by an insurer having a minimum policy holders rating of “A-VII” pursuant to the latest rating publication of Property and Casualty Insurers by A.M. Best Company (or, in the absence of such publication, or if A.M. Best Company shall change its ratings or the standards for such ratings, or shall fail to publish them currently, or shall not maintain its current reputation, then each Policy shall be issued by an insurer having a minimum rating pursuant to such rating standards as may be designated by the Mortgagees in their reasonable discretion), at all times when such Policy is in effect. Each such insurer must be lawfully doing business in the State of Illinois and must otherwise be reasonably acceptable in all respects to the Mortgagees. All Policies shall, with respect to the Improvements, contain the standard lender non-contribution clause endorsement (subject to the Mortgagees’ approval in their reasonable discretion). All Policies shall, with respect to the remaining portion of the Property, contain such endorsement to the extent such endorsement is available. To the extent that such endorsement is not available with respect to any such portion of the Property, then the Policies shall contain, with respect to such portion, a lender’s loss payable clause endorsement (subject to the Mortgagees’ approval in their reasonable discretion), all naming the Mortgagees as the person to which all payments made by the insurer under such Policies shall be paid. All Policies shall otherwise be in form and substance reasonably satisfactory to the Mortgagees. Blanket insurance policies shall not be acceptable for the purposes of this Section 13(b) unless otherwise approved in writing to the contrary by the Mortgagees. Mortgagor shall pay the premiums for the Policies (the “Insurance Premiums”) as the same become due and payable. At the request of the Mortgagees, Petersen Parties will deliver to Mortgagees a certificate of insurance for each Policy. Not later than thirty (30) days prior to the expiration date of each Policy, Mortgagor will deliver to the Mortgagees a certificate of insurance marked “premium paid” (with respect to the Insurance Premiums under such Policies for the next twelve month period) by the insurer issuing such Policies or accompanied by other evidence of payment of the Insurance Premiums which is satisfactory to the Mortgagees. The insurer issuing each Policy must be obligated, pursuant to an endorsement or certificate satisfactory to the Mortgagees in their reasonable discretion, to give at least thirty (30) days prior written notice to the Mortgagees of the expiration, cancellation, termination, or modification of such Policy. If at any time the Mortgagees are not in receipt of written evidence that all insurance required under this Mortgage is in full force and effect, then the Mortgagees shall have the right, upon reasonable written notice to Mortgagor, to take such action as the Mortgagees deem necessary to protect their interest in the Property, including, without limitation, the obtaining of such insurance coverage as the Mortgagees in their discretion deems appropriate, and all expenses incurred by the Mortgagees in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by the Mortgagor to the Mortgagees upon demand and until paid shall be secured by this Mortgage in accordance with the provisions of this Mortgage.

(c) The following notice is provided pursuant to paragraph (3) of 815 ILCS 180/10: Unless the Mortgagor provides evidence of the insurance coverage required by the Settlement Documents, the Mortgagees may purchase such insurance at the Mortgagor’s expense to protect the Mortgagees’ interests in the Mortgagor’s collateral. This insurance may, but need not, protect the Mortgagor’s interests. The coverage that the Mortgagee purchases may not pay any claim that the Mortgagor may make or any claim that is made against the Mortgagor in connection with the collateral. The Mortgagor may later cancel any insurance purchased by the Mortgagees, but only after providing evidence that the Mortgagor has obtained insurance as required by the Settlement Documents. If the Mortgagees purchase insurance for the collateral, the Mortgagor will be

responsible for the costs of that insurance, including the insurance premium, interest and any other charges that the Mortgagees may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Obligations of the Mortgagor. The costs of the insurance may be more than the cost of insurance that the Mortgagor may be able to obtain on the Mortgagor's own.

14. Mortgage Tax. If, by the laws of the United States of America, or of any state, county, or municipality having jurisdiction over Mortgagor or the Mortgaged Property or any part thereof, any tax is assessed or becomes due in respect of the issuance of the Note, or the granting or recording of this Mortgage or otherwise in connection with any of the other Settlement Documents, Mortgagor shall pay such tax in the manner required by such law.

15. Intentionally Deleted.

16. Effect of Extensions of Time and Amendments on Junior Liens and Others If the payment of the Obligations, or any part thereof, be extended or varied, or if any part of the security therefor be released, all persons now or at any time hereafter liable therefor, or interested in the Mortgaged Property or any part thereof, shall be held to assent to such extension, variation or release; and their liability and the lien and all provisions hereof shall continue in full force and effect, the right of recourse against all such persons being expressly reserved by Mortgagees, notwithstanding any such extension, variation or release. Any Person who, upon consent by Mortgagees shall take a junior mortgage, or other junior lien upon the Mortgaged Property or any part thereof or any interest therein, shall take such lien subject to the rights of Mortgagees to supplement, amend, modify, restate and extend the Settlement Documents or any of them, and to extend the maturity of the Obligations, in each and every case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage or the lien of any other Settlement Documents losing priority over the rights of any such junior lien.

17. Inspection of Premises. Mortgagees, their employees and agents, shall have the right to inspect the Mortgaged Property and every part thereof, during normal business hours upon reasonable prior written notice, and Mortgagor will cooperate (and will use commercially reasonable efforts to cause its agents and independent contractors to cooperate) with Mortgagees in arranging the inspections of the Mortgaged Property or any part thereof or any of the other Personal Property by Mortgagees and their agents and representatives, at such times as Mortgagees shall determine in their reasonable discretion, during normal business hours upon reasonable prior notice. Mortgagees shall have the right to inspect and make copies of all books, records and documents relating to the Mortgaged Property as Mortgagees shall determine in their reasonable discretion, during normal business hours upon reasonable prior notice.

18. Uniform Commercial Code. Mortgagor (as debtor) and Mortgagees (as secured party) agree: (i) that this Mortgage shall constitute a "security agreement" within the meaning of the Uniform Commercial Code with respect to the Personal Property; (ii) that a security interest in and to the Personal Property is hereby granted to Mortgagees; and (iii) that all of Mortgagor's right, title and interest therein are hereby assigned to Mortgagees; all to secure payment of the Obligations and to secure performance by Mortgagor of the terms, covenants and provisions hereof.

(a) Upon the occurrence and during the continuance of an Event of Default under this Mortgage, Mortgagees, pursuant to the appropriate provisions of the Uniform Commercial Code, shall have an option to proceed with respect to both the Real Estate and the Personal Property in accordance with their rights, powers and remedies with respect to the Real Estate, in which event the default provisions of the Uniform Commercial Code shall not apply. The parties agree that if Mortgagees shall elect to proceed with respect to the Personal Property separately from the Real Estate, Mortgagees shall have all remedies available to a secured party under the Uniform Commercial Code and ten (10) days' notice of the sale of the Personal Property shall be reasonable notice. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by Mortgagees shall include, but not be limited to, reasonable attorneys' fees and legal expenses incurred by Mortgagees. Mortgagor agrees that Mortgagor shall not, without the written consent of Mortgagees, dispose of, remove or permit to be removed from the Mortgaged Property any of the Personal Property, and that all replacements for each and every item of Personal Property shall be at least equal in value and utility to the initial value and utility of that disposed of and in such a manner that said replacement or substituted Personal Property shall be subject to the security interest created hereby and that the security interest of Mortgagees shall be perfected, it being expressly understood and agreed that all replacements, substitutions and additions to the Personal Property shall be and become immediately subject to the security interest of this Mortgage and covered hereby. Mortgagor covenants and represents that all Personal Property now is, and that all replacements thereof, substitutions therefor or additions thereto, unless Mortgagees otherwise consents, shall be free and clear of liens, encumbrances, title retention devices and security interests of others.

(b) Mortgagor and Mortgagees agree, to the extent permitted by applicable law, that: (i) all of the goods described within the definition of the words "Improvements" and "Fixtures" herein are or are to become fixtures on the Land, (ii) this Mortgage constitutes a financing statement filed as a fixture filing under the Uniform Commercial Code of the State, as amended or recodified from time to time, covering any Mortgaged Property which now is or later may become fixtures attached to the Land or Improvements; and (iii) Mortgagor is the owner of the Land. The address of Mortgagor as "debtor", and the address of Mortgagees as "secured party" are as set forth in Section 43 of this Mortgage. Mortgagor agrees that the filing of a financing statement in the records normally having to do with personal Mortgaged Property shall never be construed as in any way derogating from or impairing the express declaration and intention of the parties hereto, herein above stated, that everything used in connection with the production of income from the Mortgaged Property and/or adapted for use therein and/or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings, legal or equitable, shall be regarded as part of the Real Estate irrespective of whether (i) any such item is physically attached to the Land or Improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with Mortgagees, or (iii) any such item is referred to or reflected in any such financing statement so filed at any time. Similarly, the mention in any such financing statement of (1) rights in or to the proceeds of any fire and/or hazard insurance policy, (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) Mortgagor's interest as lessor in any present or future Leases or subleases or rights to Rents growing out of the use and/or occupancy of the Mortgaged Property, whether pursuant to a lease or otherwise, shall never be construed as in any way altering any of the rights of Mortgagees as determined by this instrument or impugning the priority of Mortgagees' lien granted hereby or by any other recorded document, but such mention

in the financing statement is declared to be for the protection of Mortgagees in the event any court or judge shall at any time hold with respect to (1), (2) or (3) that notice of Mortgagees' priority of interest to be effective against a particular class of persons, including, but not limited to, the federal government and any subdivision or entity of the federal government, must be filed in the Uniform Commercial Code records.

(c) Mortgagor, upon the reasonable request by Mortgagees from time to time, shall execute, acknowledge and deliver to Mortgagees, a separate security agreement, Financing Statement or other similar security instruments, in form reasonably satisfactory to Mortgagees, covering all Mortgaged Property of any kind whatsoever owned by Mortgagor which in the sole and exclusive opinion of Mortgagees is essential to the operation of the Mortgaged Property and which constitutes goods within the meaning of the Uniform Commercial Code or concerning which there may be any doubt whether the title to same has been conveyed by or security interest perfected by this Mortgage under the laws of the State, and shall further execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any financing statement, affidavit, continuation statement or certificate or other document as Mortgagees may reasonably request in order to perfect, preserve, maintain, continue and extend the security interest under and the priority of this Mortgage and such security instrument. Mortgagor shall from time to time, on the reasonable request of Mortgagees, deliver to Mortgagees an inventory of the Personal Property in reasonable detail.

19. Mortgagees' Right of Possession in Case of Event of Default. Upon and during the continuance of an Event of Default in any case in which under the provisions of this Mortgage, whether before or after the entire Obligations are declared to be immediately due as aforesaid, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, provided that Mortgagees comply with the Illinois Mortgage Foreclosure Law, Mortgagor shall forthwith, upon demand of Mortgagees, surrender to Mortgagees and Mortgagees shall be entitled to take actual possession of, the Mortgaged Property or any part thereof, personally, or by their agent or attorneys. In such event Mortgagees in their discretion may, as permitted by applicable law, enter upon and take and maintain possession of all or any part of said Mortgaged Property, together with all documents, books, records, papers and accounts of Mortgagor or the then owner of the Mortgaged Property relating thereto, and may exclude Mortgagor, and each of their agents or servants, wholly therefrom and may, as attorney in fact or agent of Mortgagor, or in their own name as Mortgagees and under the powers herein granted, hold, operate, manage and control the Mortgaged Property and conduct the business, if any, thereof, either personally or by their agents, and with full power to use such measures, legal or equitable, as in their discretion or in the discretion of their successors or assigns may be deemed proper or necessary to enforce the payment or security of the Rents, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, and with full power: (a) to cancel or terminate any Lease for any cause or on any ground which would entitle Mortgagor to cancel the same; (b) to elect to disaffirm any Lease which is then subordinate to the lien hereof; (c) to extend or modify any then existing Leases and to make new Leases, which extensions, modifications and new Leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Obligations and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such Leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Mortgaged Property are

subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Obligations, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; (d) to enter into any management, leasing or brokerage agreements covering the Mortgaged Property; (e) to make all reasonably necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Mortgaged Property as to it may seem judicious; (f) to insure and reinsure the same and all risks incidental to Mortgagees' possession, operation and management thereof; and (g) to receive all of such Rents; hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Mortgagor.

Mortgagees shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any Leases. Mortgagor shall and does hereby agree to indemnify and hold Mortgagees harmless of and from any and all liability, loss or damage which it may or might incur by reason of their performance of any action authorized under this Section 19 and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on their part to perform or discharge any of the terms, covenants or agreements of Mortgagor except liability, loss and damage arising solely and directly from Mortgagees' willful misconduct or gross negligence. Should Mortgagees incur any such liability, loss or damage, by their performance or nonperformance of actions authorized by this Section 19, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, together with interest on any such amount at the Interest Rate shall be secured hereby, and Mortgagor shall reimburse Mortgagees therefor immediately upon demand.

20. Restrictions on Transfer. Neither Mortgagor nor the Petersen Parties shall create, effect, contract for, consent to or permit any conveyance, sale, assignment, transfer, lease, pledge, mortgage, security interest or other voluntary lien, encumbrance or alienation of the Mortgaged Property or any part thereof or interest therein (each a "**Transfer**"), whether any such Transfer is effected directly or affected indirectly through any transfer or sale of any direct or indirect interests in Mortgagor or any Petersen Party: provided further, Mortgagor and the Peterson Parties may convey, sell or transfer the Mortgaged Property so long as all of the Obligations are paid off at the time of such sale, transfer or conveyance. If Mortgagor desires to sell a portion of the Property, Mortgagor shall send to Mortgagees a written request to release such portion of the Property from this Mortgage. Such request shall set forth the amount of net proceeds from the sale to be applied to the Obligations ("**Net Sales Proceeds**"). Mortgagees' consent to such sale shall not be unreasonably withheld, conditioned, or delayed; provided, a mortgage release for such portion of the Property shall be provided to Mortgagor only simultaneously with the payment to Mortgagees of the Net Sales Proceeds.

21. Events of Default. Each of the following shall constitute an "**Event of Default**" under this Mortgage:

(a) Payment Defaults. Mortgagor's or Petersen Parties' failure to pay (i) upon Maturity (whether by acceleration or otherwise) or an Event of Default, any unpaid principal or interest on this Note or any other amounts owing in connection with the Settlement Documents; or (ii) any other monetary obligation (not described in clause (i)) to the Mortgagees under the this Note or

any other Settlement Document when due and payable and the continuation of such failure for a period of seven (7) days after written notice from Mortgagees;

(b) Representations. Any representation, warranty or certification made by any Petersen Party or Mortgagor, in or pursuant to any of Settlement Documents is or becomes materially false or misleading at any time when such representation, warranty, or certification is required to be operative, and continues to be materially false or misleading for thirty (30) days after receipt of notice thereof by the Mortgagor;

(c) Attachment. There is an attachment, execution or other judicial seizure of any portion of the Mortgagor's or any Petersen Party's assets and such seizure is not discharged within sixty (60) days of such attachment, execution or other judicial seizure, as the case may be; provided, no such judgment or judgment lien shall be an Event of Default unless such judgment or judgment lien creates a lien on the Property which is pari passu or superior to the lien created by this Mortgage.

(d) Taxes. Mortgagor or any Petersen Party breaches or defaults under any of Section 12 and such breach or default continues for seven (7) days after receipt of written notice thereof from the applicable taxing authority or the Mortgagee, without being cured by Mortgagor or such Petersen Party;

(e) Insurance. Mortgagor or any Petersen Party breaches or defaults under any of Section 13 of this Mortgage; provided, Mortgagor or such Petersen Party shall have seven (7) days to cure any breaches or defaults with respect to delivery to Mortgagees of (1) certificates of insurance or (2) copies of insurance policies;

(f) Transfers. Mortgagor or any Petersen Party breaches or defaults under any of Section 20 of this Mortgage;

(g) Lien. After the Effective Date, any lien or notice of lien of any kind (whether for the performance of work, the supplying of materials, a judgment lien, a tax lien, or otherwise) is filed or served against any part of the Land, and Mortgagor or any Petersen Party fails either to satisfy such lien or insure over such lien with a title company reasonably approved by Mortgagee within the earlier of the time necessary to stay enforcement of the lien or thirty (30) days after the date of filing or serving of such lien or notice of lien;

(h) Impairment of Security, etc. Any Settlement Document, or any lien granted thereunder, shall (except in accordance with its terms), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of any obligor party thereto; or Mortgagor or any Petersen Party, shall, directly or indirectly, contest in any manner such effectiveness, validity, binding nature or enforceability; or any lien securing the Settlement Amount shall, in whole or in part, cease to be a perfected Lien with the same priority as at the time this Mortgage is recorded; or

(i) Settlement Agreement Events of Default.

(i) Mortgagor shall attempt to recover on the Administrative Expense Claim (as defined in the Settlement Agreement);

(ii) an Event of Default shall occur under that certain Promissory Note dated as of the date hereof by the Petersen Parties to Mortgagee in the principal sum of SIX MILLION SEVEN HUNDRED THOUSAND AND 00/ 100 DOLLARS (\$6,700,000.00);

(iii) any of the Petersen Parties attempts to sell, transfer, assign, encumber, mortgage, pledge, lease, or otherwise dispose of or impair any interest in the Properties (as defined in the Settlement Agreement), except to pay all of the Obligations, or other assets, except as expressly permitted under the Settlement Agreement and the definitive documentation or with the consent of the Plan Administrator and the Liquidating Trustee (each as defined in the Settlement Agreement), as the case may be;

(iv) the Petersen Parties attempt to challenge, delay, vacate, set aside, or otherwise interfere with the filing, entry, or enforcement of the Stipulation and Consent Judgment (as defined in the Settlement Agreement) upon the occurrence of any Event of Default, except to contest whether an Event of Default has occurred;

(v) the Petersen Parties fail or cause to fail to transfer the Net Sale Proceeds (as defined in the Settlement Agreement) as set forth in and in accordance with the Settlement Agreement upon the closing of any sale of Properties (as defined in the Settlement Agreement);

(vi) an Insolvency Proceeding (as defined in the Settlement Agreement) is filed by or against any of the Petersen Parties; and

(j) Other Breaches and Defaults. Mortgagor or any Petersen Party breaches or defaults under any other term or provision of this Mortgage, the Note, or any Settlement Document (other than any breach or default described in any of Section 21 (a) through (g) (inclusive)), and such breach or default continues for thirty (30) days after written notice of such breach or default from Mortgagees; provided, further, if Mortgagor has commenced to cure such breach or default within said 30 day period and is diligently pursuing such cure, Mortgagor shall be granted sixty (60) additional days (up to a total of 90 days from the date of the original notice of breach or default) to cure such breach or default.

22. Remedies. Upon the occurrence of any Event of Default, the Mortgagees shall have every right, power or remedy, express or implied, given now or hereafter existing, at law or in equity, including, but not limited to, the right immediately to declare the Settlement Amount and all other Obligations immediately due and payable, the right to foreclose this Mortgage, the right to pursue all remedies available pursuant to the Note, and/or the right to pursue all remedies available pursuant to the Settlement Agreement and/or each other Settlement Document. Upon the filing of any complaint for that purpose, the court in which such complaint is filed may, upon application of the Mortgagees or at any time thereafter, either before or after foreclosure sale, and without regard to the solvency or insolvency at the time of such application of any Person then liable for the payment of any of the Obligations, without regard to the then value of the Mortgaged Property or whether the same shall then be occupied, in whole or in part, as a homestead, by the owner of the equity of redemption, and without regarding any bond from the complainant in such proceedings, appoint or seek to have appointed a receiver for the Mortgaged Property, or any part thereof as it may designate, for the benefit of the Mortgagees, with power to take possession,

charge, and control of the Mortgaged Property, to lease the same, to keep the buildings thereon insured and in good repair, and to collect all Rents during the pendency of such foreclosure suit, and, in case of foreclosure sale and a deficiency, during any period of redemption. The court may, from time to time, authorize said receiver to apply the net amounts remaining in its hands, after deducting reasonable compensation for the receiver and its counsel as allowed by the court, in payment (in whole or in part) of any or all of the Obligations, including without limitation the following, in such order of application as the Mortgagees may elect: (i) amounts due under the Settlement Documents, (ii) amounts due upon any decree entered in any suit foreclosing this Mortgage, (iii) costs and expenses of foreclosure and litigation upon the Land, (iv) insurance premiums, repairs, taxes, special assessments, water charges and interest, penalties and costs, in connection with the Land, (v) any other lien or charge upon the Mortgaged Property that may be or become superior to the lien of this Mortgage, or of any decree foreclosing the same and (vi) all moneys advanced by the Mortgagees in accordance with the Settlement Documents to cure or attempt to cure any Event of Default by the Mortgagor or any Petersen Party in the performance of any obligation or condition contained in any Settlement Documents or this Mortgage or otherwise, to protect the security hereof provided herein, or in any Settlement Documents, with interest on such advances at the Interest Rate. The overplus of the proceeds of sale, if any, shall then be paid to the Mortgagor. This Mortgage may be foreclosed once against all, or successively against any portion or portions, of the Mortgaged Property, as the Mortgagees may elect, until all of the Mortgaged Property has been foreclosed against and sold. As part of the foreclosure, the Mortgagees in their discretion may, with or without entry, personally or by attorney, sell to the highest bidder all or any part of the Mortgaged Property, and all right, title, interest, claim and demand therein, and the right of redemption thereof, as an entirety, or in separate lots, as Mortgagees may elect, and in one sale or in any number of separate sales held at one time or at any number of times, all in any manner and upon such notice as provided by applicable law. Upon the completion of any such sale or sales, Mortgagees shall transfer and deliver, or cause to be transferred and delivered, to the purchaser or purchasers the property so sold, in the manner and form as provided by applicable law, and Mortgagees are hereby irrevocably appointed the true and lawful attorney-in-fact of Mortgagor, in its name and stead, to make all necessary transfers of property thus sold, and for that purpose Mortgagees may execute and deliver, for and in the name of Mortgagor, all necessary instruments of assignment and transfer, Mortgagor hereby ratifying and confirming all that said attorney-in-fact shall lawfully do by virtue hereof. In the case of any sale of the Mortgaged Property pursuant to any judgment or decree of any court at public auction or otherwise, Mortgagees may become the purchaser, and for the purpose of making settlement for or payment of the purchase price, shall be entitled to credit bid in all or any portion of the Obligations. In case of any foreclosure of this Mortgage (or the commencement of or preparation therefor) in any court, all expenses of every kind reasonably paid or incurred by the Mortgagees for the enforcement, protection or collection of this security, including court costs, reasonable attorneys' fees, stenographers' fees, costs of advertising, and costs of title insurance and any other documentary evidence of title, shall be paid by the Mortgagor.

23. Waivers and Agreements Regarding Remedies. To the full extent Mortgagor may do so, Mortgagor hereby:

(a) agrees that it will not at any time plead, claim or take advantage of any applicable laws now or hereafter in force providing for any appraisalment, valuation, stay, extension or redemption,

and waives and releases all rights of redemption, valuation, appraisal, stay of execution, extension and notice of election to accelerate the Obligations.

(b) waives all rights to a marshaling of the assets of Mortgagor, including without limitation, the Mortgaged Property, or to a sale in the inverse order of alienation in the event of a foreclosure of the Mortgaged Property, and agrees not to assert any right under any applicable laws pertaining to the marshaling of assets, the sale in inverse order of alienation, the exemption of homestead, the administration of estates of decedents, or other matters whatsoever, to defeat, reduce or affect the right of Mortgagees under the terms of this Mortgage to a sale of the Mortgaged Property without any prior or different resort for collection, or the right of Mortgagees to the payment of the Obligations out of the proceeds of sale of the Mortgaged Property in preference to every other claimant whatsoever.

(c) waives and relinquishes any and all rights and remedies which Mortgagor may have or be able to assert by reason of the provisions of any applicable laws pertaining to the rights and remedies of sureties.

24. Suits to Protect the Mortgaged Property. Mortgagees shall have the power and authority (but not the duty) upon advance written notice to Mortgagor to institute and maintain any suits and proceedings as Mortgagees may deem advisable (a) to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or which violate the terms of this Mortgage, (b) to preserve or protect their interest in the Mortgaged Property, or (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order might impair the security hereunder or be prejudicial to Mortgagees' interest.

25. Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding affecting Mortgagor, or any constituent member of Mortgagor, to the extent permitted by applicable law, Mortgagees shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have their claim allowed in such proceedings for the entire amount due and payable by Mortgagor under the Settlement Documents, at the date of the institution of such proceedings, and for any amounts which may become due and payable by Mortgagor after such date.

26. Discontinuance of Proceedings Position of Parties Restored. If Mortgagees shall have proceeded to enforce any right or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason, then and in every such case Mortgagees and Mortgagor shall be restored to their respective former positions and rights hereunder, and all rights, powers and remedies of Mortgagees shall continue as if no such proceedings had occurred or had been taken.

27. Rights Cumulative. Each right, power and remedy herein conferred upon Mortgagees is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing, at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient to Mortgagees and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter

any other right, power or remedy; and no delay or omission of Mortgagees in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein. No act of Mortgagees shall be construed as an election to proceed under any one provision of this Mortgage to the exclusion of any other provision. Mortgagees shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Obligations as same shall become due, without regard to whether or not the balance of the Obligations shall then be due, and without prejudice to the right of Mortgagees thereafter to bring an action of foreclosure or any other action by reason of any other default or defaults by Mortgagor existing at the time such earlier action was commenced.

28. No Liability on Mortgagees. Notwithstanding anything contained herein to the contrary, Mortgagees shall not be obligated to perform or discharge, any Obligation, duty or liability of Mortgagor, whether under any of the Leases or otherwise, and Mortgagor shall and does hereby agree to indemnify and hold Mortgagees harmless of and from any and all liability, claim expense, loss or damage which Mortgagees may or might incur with respect to the Mortgaged Property, or under or by reason of their exercise of rights hereunder, and of and from any and all claims and demands whatsoever which may be asserted against Mortgagees by reason of any alleged obligations or undertakings on their part to be performed or discharged except any liability, claim expense, loss or damage arising solely and directly from Mortgagees' willful misconduct or gross negligence. Except for Mortgagees' willful misconduct or gross negligence, Mortgagees shall not have responsibility for the control, care, management or repair of the Mortgaged Property, or be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Mortgaged Property resulting in loss or injury or death to any tenant, licensee, employee or stranger. Unless otherwise provided for herein, no liability shall be enforced or asserted against Mortgagees in their exercise of the powers herein granted, and Mortgagor expressly waives and releases any such liability. Should Mortgagees incur any such liability, loss or damage, under any of the Leases or under or by reason hereof, or in the defense of any claims or demands, Mortgagor agrees to reimburse Mortgagees immediately upon demand for the amount thereof, including costs, expenses and reasonable attorneys' fees, together with interest thereon from date of such payment at the interest rate set forth in the Note.

29. Intentionally Deleted.

30. Intentionally Deleted.

31. Intentionally Deleted.

32. Intentionally Deleted.

33. Intentionally Deleted.

34. Further Assurances. Mortgagor will do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the better assuring, conveying, mortgaging, assigning and confirming unto Mortgagees, as the case may be, all Mortgaged Property mortgaged hereby or Mortgaged Property intended so to be, whether now owned by Mortgagor or hereafter acquired. Upon any failure by Mortgagor to do so after fifteen

(15) days after written request therefor, Mortgagees may make, execute and record any and all such documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagees their agent and attorney-in-fact for that purpose.

35. Mortgagees' Performance of Mortgagor's Obligations. Upon the occurrence and during the continuance of an Event of Default, or upon the occurrence and during the continuance of any emergency (which in Mortgagees' commercially reasonable opinion would or could reasonably be anticipated to endanger, impair or otherwise harm the Mortgaged Property or any part thereof and, in Mortgagees' reasonable opinion, is not being adequately addressed by Mortgagor), Mortgagees, either before or after acceleration of the Obligations or the foreclosure of this Mortgage and during the period of redemption, if any, may, but shall not be required to, make any payment or perform any act herein required of Mortgagor (whether or not Mortgagor is personally liable therefor) in any form and manner deemed expedient to Mortgagees; and Mortgagees may, but shall not be required to, make full or partial payments with respect to any encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Mortgaged Property or any part thereof or contest any tax or assessment, and may, but shall not be required to rent and operate the Mortgaged Property, and pay operating costs and expenses (including without limitation reasonable management fees) of every kind and nature in connection therewith, so that the Mortgaged Property shall be operational and usable for its intended purposes. All monies paid for any of the purposes herein authorized, and all reasonable expenses paid or incurred in connection therewith, including without limitation reasonable attorneys' fees and all costs of litigation through and including post judgment and appellate proceedings, if any, and other monies advanced by Mortgagees to protect the Mortgaged Property or any part thereof, and the interest created by this Mortgage, or to pay any operating costs and expenses thereof or to keep the Mortgaged Property operational and usable for its intended purpose shall be included within the term "Obligations" as used in this Mortgage, and shall become immediately due and payable without notice, and with interest thereon at the Interest Rate. Inaction of Mortgagees shall never be considered as a waiver of any right accruing to it on account of any Default on the part of Mortgagor. Mortgagees, in making any payment hereby authorized (a) relating to Real Estate Taxes, may do so according to any bill, statement or estimate, without inquiry into the validity of any Real Estate Tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (b) for the purchase, payment, discharge, compromise or settlement of any other lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (c) in connection with the completion of construction, furnishing or equipping of the improvements or the Mortgaged Property or the rental, operation or management of the Mortgaged Property or the payment of operating costs and expenses thereof, Mortgagees may do so in such amounts and to such persons as are commercially reasonable and may enter into such contracts therefor as Mortgagees may deem appropriate and are commercially reasonable or may perform the same itself.

36. Intentionally Deleted.

37. Future Advances; Maximum Indebtedness. This Mortgage is granted to secure not only existing indebtedness, but also future advances made pursuant to or as provided in the Settlement Documents, whether such advances are obligatory or to be made at the option of Mortgagees, or otherwise, to the same extent as if such future advances were made on the date of execution of this Mortgage, although there may be no advance made at the time of execution hereof, and although

there may be no indebtedness outstanding at the time any advance is made. Notwithstanding anything in this Mortgage to the contrary, the maximum principal amount of the indebtedness secured by this Mortgage shall not exceed \$13,400,000.00 plus all costs of enforcement and collection of this Mortgage and the other Settlement Documents, including reasonable attorney's fees, plus the total amount of any advances made pursuant to the Settlement Documents to protect the collateral and the security interest and lien created hereby, or the priority thereof, together with interest on all of the foregoing as provided in the Settlement Documents.

38. Mortgagor's Successors. In the event that the ownership of Mortgaged Property, or any part thereof, becomes vested in a person or persons other than Mortgagor, Mortgagees may, without notice to Mortgagor, deal with such successor or successors in interest of Mortgagor with reference to this Mortgage and the Obligations in the same manner as with Mortgagor; provided, however, that nothing contained in this Section 38 shall modify, limit or otherwise abrogate the restrictions on transfer set forth in Section 20.

39. Successors and Assigns. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon Mortgagor and its successors and assigns (including, without limitation, each and every record owner from time to time of the Mortgaged Property or any other person having an interest therein), and shall inure to the benefit of Mortgagees and their successors and assigns. Wherever herein Mortgagees are referred to, such reference shall be deemed to include the holder from time to time of the Note, whether so expressed or not, and each such holder of the Note shall have and enjoy all of the rights, privileges, powers, options and benefits afforded hereby and hereunder, and may enforce each and every term and provision hereof as fully and to the same extent and with the same effect as if such holder were herein by name specifically granted such rights, privileges, powers, options and benefits and was herein by name designated Mortgagees.

40. Provisions Severable. If fulfillment of any provision of this Mortgage or any transaction related hereto shall at any time involve transcending the limit of validity prescribed by applicable law, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity; and if any clause or provision herein contained, other than the provisions requiring Mortgagor to pay the Obligations, operates or would prospectively operate to invalidate this Mortgage in whole or in part, then such clause or provision only shall be void, as though not herein contained, and the remainder of this Mortgage shall remain operative and in full force and effect; and if such clause or provision requires Mortgagor to pay any of the Obligations, then at the sole option of Mortgagees, all of the Obligations shall become due and payable.

41. Time of the Essence. Time is of the essence of each covenant, condition and provision of this Mortgage to be performed by Mortgagor.

42. Captions and Pronouns. The captions and headings of the various sections of this Mortgage are for convenience only, and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

43. Notices. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing, addressed as follows and shall be deemed to have been properly given if hand delivered, if sent by reputable overnight courier (effective the business day following delivery to such courier) or if mailed (effective three business days after mailing) by United States registered or certified mail, postage prepaid, return receipt requested:

If to Mortgagor: c/o Saul Ewing LLP
1201 N. Market Street, Suite 2300
Wilmington, DE 19899
Attn: John D. Demmy and Paige N. Topper

with copies to: c/o Saul Ewing LLP
161 North Clark Street, Suite 4200
Chicago, IL 60601
Attn: Barry A. Chatz

If to the Mortgagees: c/o Greenberg Traurig, LLP
222 Delaware Avenue, Suite 1600
Wilmington, DE 19801
Attn: Anthony W. Clark and Dennis A. Meloro

with copies to: c/o Greenberg Traurig, LLP
360 North Green Street, Suite 1300
Chicago, IL 60607
Attn: Nancy A. Peterman and Danny Duerdoth

c/o Winston & Strawn LLP
35 W. Wacker Drive
Chicago, IL 60601
Attn: Daniel J. McGuire and Gregory M. Gartland

c/o Winston & Strawn LLP
200 Park Avenue
New York, NY 10166
Attn: Carrie V. Hardman

or at such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice. Notices given in any other fashion shall be deemed effective only upon receipt.

44. Casualty and Condemnation.

(a) Mortgagor shall give Mortgagees prompt written notice of the occurrence of any casualty affecting any or all of the Real Estate, or any portion thereof. All insurance proceeds on the Real Estate and all causes of action, claims, compensation, awards and recoveries for any damage to any part of the Real Estate or for any damage or injury to the Real Estate for any loss or diminution

in value of the same or any part thereof shall be used by Mortgagor to repair and restore the Real Estate. Mortgagor covenants and agrees to use all such insurance proceeds solely to perform repairs and restoration of the Real Estate. In the event either (i) Mortgagor chooses not to repair or restore the Real Estate or (ii) the casualty is such that repair and restoration is not practical, then the insurance proceeds shall be paid to Mortgagees and shall be applied to the Obligations.

(b) If the Real Estate or any portion thereof is taken or damaged by eminent domain powers of any governmental authority, the award shall be paid to Mortgagees (and all awards and proceeds on the Real Estate and all causes of action, claims, compensation, awards and recoveries for any such taking, or for any damage or injury to the Real Estate for any loss or diminution in value of the same or any part thereof, is hereby assigned to Mortgagees) and applied to the payment of the Obligations, after deducting any costs incurred by Mortgagees in connection therewith, in whatever order Mortgagees direct in their reasonable discretion.

45. Parties Not Partners. Nothing contained in this Mortgage shall constitute Mortgagor and Mortgagees as joint venturers or partners with one another or agents for one another or render either of them liable for and debts or obligations of the other.

46. Estoppel Letters. Mortgagor, upon ten (10) Business Days' prior written notice, shall furnish Mortgagees with a written statement, duly acknowledged, setting forth the principal of, and interest on, the Obligations, and stating whether, to Mortgagor's best knowledge, any off-sets or defenses exist against such principal and interest, and, if so, the particulars thereof, and any other matters requested by Mortgagees.

47. Indemnification.

(a) In addition to all other indemnities in favor of Mortgagees specifically provided in any of the Settlement Documents, Mortgagor shall indemnify Mortgagees and save Mortgagees harmless from and against any and all actual losses, liabilities, suits, obligations, fines, damages, penalties, claims costs, charges, and expenses, including, without limitation, reasonable architects', engineers', attorneys' and accountants' fees and all reasonable disbursements which are imposed upon, incurred or asserted against Mortgagees by reason of: (i) any capital improvements, renovations or other work or thing done in, on or about the Mortgaged Property or any part thereof, (ii) any use, non-use, misuse, possession, occupation, alteration, repair, condition, operation, maintenance or management of the Mortgaged Property or any part thereof or any street, drive, sidewalk, curb, passageway or space comprising a part thereof or adjacent thereto, (iii) any negligence on the part of either Mortgagor or its agents, contractors, servants, employees, licensees or invitees, (iv) any accident, injury (including death) or damage to any person or Mortgaged Property occurring in, on or about the Mortgaged Property or any part thereof or in, on or about any street, drive, sidewalk, curb, passageway or space adjacent thereof, (v) an Event of Default as hereinafter defined, (vi) any lien or claim which may be alleged to have arisen on or against the Mortgaged Property or any part thereof under the applicable laws of the local or state government or any other governmental or quasi-governmental authority or any liability asserted against Mortgagees with respect thereto, (vii) any tax attributable to the execution, delivery, filing or recording of this Mortgage, the Note, or any Settlement Documents, or (viii) any contest permitted pursuant to the provisions of this Mortgage; provided that Mortgagor shall have no obligation to indemnify or save Mortgagees harmless from any losses, liabilities, suits, obligations, fines,

damages, penalties, claims, costs, charges or expenses arising solely and directly from Mortgagees' willful misconduct or gross negligence.

(b) The obligations of Mortgagor under this Section 47 shall not in any way be affected by the absence in any case of covering insurance or by the failure or refusal of any insurance carrier to perform any obligation on its part under insurance policies affecting the Real Estate. If any claim, action or proceeding is made or brought against Mortgagees by reason of any event as to which Mortgagor is obligated to indemnify, then upon demand by Mortgagees, Mortgagor, at its sole cost and expense, shall resist or defend such claim, action or proceeding in Mortgagees' name, if necessary by the attorneys for Mortgagor's insurance carrier (if such claim, action or proceeding is covered by insurance), otherwise by such attorneys as Mortgagees shall approve in writing (which approval shall not be unreasonably withheld). Notwithstanding the foregoing, Mortgagees may engage their own attorneys in their reasonable discretion to defend it or to assist in their defense and Mortgagor shall pay the reasonable fees and disbursements of such attorneys.

48. Non-Waiver By Mortgagee. The failure of Mortgagees to insist upon strict performance of any term of this Mortgage shall not be deemed to be a waiver of any term of this Mortgage. Mortgagor shall not be relieved of its obligation to pay the Obligations, as and when due, by reason of Mortgagees' failure to comply with any request of Mortgagor to take any action to enforce any of the provisions of this Mortgage, the Note or any of the Settlement Documents. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien, encumbrance, right, title or interest in or to the Mortgaged Property, Mortgagees may release any person or entity at any time liable for the payment of the Obligations or any portion thereof or any part of the security held therefor, without in any manner impairing or affecting the Note, Settlement Documents or the lien thereof or the lien or priority of this Mortgage, as so extended and modified. Mortgagees may resort for the payment of the Obligations to any other security held by Mortgagees in such order and manner as Mortgagee, in their discretion, may elect. Mortgagees may take action to recover the Obligations, or any portion thereof, or to enforce any covenant of this Mortgage, without prejudice to the right of Mortgagees thereafter to foreclose this Mortgage.

49. Law and Venue. THIS MORTGAGE WAS NEGOTIATED IN PART IN THE STATE OF ILLINOIS, AND THE SETTLEMENT AMOUNT WAS MADE BY MORTGAGEES IN THE STATE OF ILLINOIS, AND THE PROCEEDS OF THE SETTLEMENT AMOUNT DELIVERED PURSUANT HERETO HAVE BEEN AND WILL BE DISBURSED FROM THE STATE OF ILLINOIS, AND THE MORTGAGED PROPERTY IS LOCATED IN THE STATE OF ILLINOIS, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS MORTGAGE SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (INCLUDING, WITHOUT LIMITATION, 735 ILCS SECTION 105/5-1 ET SEQ., BUT OTHERWISE WITHOUT REGARD TO THE CONFLICT OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS. NOTWITHSTANDING THE FOREGOING, THE PARTIES AGREE THAT:

(a) THE PROCEDURES GOVERNING THE ENFORCEMENT BY MORTGAGEES OF THE PROVISIONAL REMEDIES AGAINST THE MORTGAGED PROPERTY OR THE MORTGAGOR, INCLUDING BY WAY OF ILLUSTRATION BUT NOT LIMITATION, ACTIONS FOR REPLEVIN OR CLAIM AND DELIVERY OF THE MORTGAGED PROPERTY, FOR INJUNCTIVE RELIEF OR FOR THE APPOINTMENT OF A RECEIVER, OR FOR THE FORECLOSURE OF THIS MORTGAGE OR FOR THE ENFORCEMENT OF THE POWER OF SALE WITH RESPECT TO THE MORTGAGED PROPERTY SHALL BE GOVERNED BY THE LAWS OF THE STATE;

(b) TO THE EXTENT APPLICABLE TO THE MORTGAGED PROPERTY, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE (INCLUDING THE CHOICE OF LAW PROVISIONS THEREOF) SHALL GOVERN THE CREATION OF THE SECURITY INTERESTS WHICH ARE THE SUBJECT OF THIS MORTGAGE, THE PERFECTION, THE EFFECT OF PERFECTION OR NON-PERFECTION AND THE PRIORITY OF SUCH SECURITY INTERESTS, AND THE ENFORCEMENT THEREOF.

(c) NOTHING HEREIN IS INTENDED TO PRECLUDE MORTGAGEES FROM ENFORCING ANY OF THEIR RIGHTS UNDER THE SETTLEMENT DOCUMENTS, INCLUDING BUT NOT LIMITED TO, THEIR RIGHTS TO SUE MORTGAGOR OR ANY GUARANTOR TO COLLECT ANY OUTSTANDING OBLIGATIONS OR TO OBTAIN A JUDGMENT FOR ANY DEFICIENCY IN ACCORDANCE WITH ILLINOIS 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.

(d) WAIVER OF JURY TRIAL. MORTGAGOR AND MORTGAGEES EACH WAIVES ALL RIGHTS TO TRIAL BY JURY OF ANY SUITS, CLAIMS, COUNTERCLAIMS, AND ACTIONS OF ANY KIND ARISING UNDER OR RELATING TO THIS MORTGAGE. MORTGAGOR AND MORTGAGEES EACH ACKNOWLEDGE THAT THIS IS A WAIVER OF A LEGAL RIGHT AND REPRESENTS TO THE OTHER THAT THIS WAIVER IS MADE KNOWINGLY AND VOLUNTARILY. MORTGAGOR AND MORTGAGEES EACH AGREES THAT ALL SUCH SUITS, CLAIMS, COUNTERCLAIMS, AND ACTIONS SHALL BE TRIED BEFORE A JUDGE OF A COURT OF COMPETENT JURISDICTION, WITHOUT A JURY.

50. Jurisdiction.

(a) WITH RESPECT TO ANY LEGAL OR EQUITABLE SUIT, ACTION, CLAIM OR PROCEEDING ARISING OUT OF OR RELATING TO THIS MORTGAGE, MORTGAGOR (I) IRREVOCABLY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF ILLINOIS AND THE UNITED STATES DISTRICT COURT LOCATED IN CHICAGO, ILLINOIS, (II) AGREES THAT ALL SUCH SUITS, ACTIONS, CLAIMS OR PROCEEDINGS MAY BE HEARD AND DETERMINED IN SUCH COURTS OF THE STATE OF ILLINOIS OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT AND (III) IRREVOCABLY WAIVES ANY (A) OBJECTION WHICH MORTGAGOR MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY SUIT, ACTION, CLAIM OR PROCEEDING ARISING OUT OF OR RELATING TO THIS

MORTGAGE BROUGHT IN ANY SUCH COURT AND (B) ANY CLAIM THAT ANY SUCH SUIT, ACTION, CLAIM OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(b) MORTGAGOR HEREBY (I) AGREES THAT ANY LEGAL OR EQUITABLE SUIT, ACTION, CLAIM OR PROCEEDING BROUGHT BY MORTGAGOR AND/OR ANY AFFILIATE THEREOF AGAINST MORTGAGEES OR TRUSTEE ARISING OUT OF OR RELATING TO THE SETTLEMENT AMOUNT, THIS NOTE, OR ANY OF THE OTHER SETTLEMENT DOCUMENTS, INCLUDING THIS MORTGAGE MAY ONLY BE INSTITUTED BY MORTGAGOR OR SUCH AFFILIATE IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE (THE “**DELAWARE BANKRUPTCY COURT**”) AND, TO THE EXTENT THE DELAWARE BANKRUPTCY COURT LACKS JURISDICTION, THE COURTS OF THE STATE OF DELAWARE AND THE UNITED STATES DISTRICT COURT LOCATED IN WILMINGTON, DELAWARE (COLLECTIVELY, THE “**CHOSEN COURTS**”), AND (II) IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO BRING ANY SUCH SUIT, ACTION, CLAIM OR PROCEEDING AGAINST MORTGAGEES IN ANY OTHER COURT OR JURISDICTION.

(c) NOTHING IN THIS MORTGAGE WILL BE DEEMED TO PRECLUDE MORTGAGEES FROM BRINGING AN ACTION OR PROCEEDING WITH RESPECT HERETO IN THE STATE WHERE THE MORTGAGED PROPERTY IS LOCATED AND MORTGAGOR APPEARING IN AND DEFENDING SUCH ACTION OR PROCEEDING OR BRINGING A COMPULSORY COUNTERCLAIM IN SUCH SUIT, ACTION, CLAIM OR PROCEEDING.

51. Reconveyance. Within five (5) days of payment of the Obligations, Mortgagees shall provide Mortgagor with a release of this Mortgage in recordable form, and shall surrender this Mortgage and all notes and instruments evidencing the Obligations to Mortgagor.

52. Attorneys’ Fees. If any Event of Default occurs, Mortgagor shall pay all costs of enforcement and collection, including but not limited to, reasonable attorneys’ fees, whether or not such enforcement and collection includes the filing of a lawsuit. The provisions allowing for the recovery of post-judgment fees, costs and expenses are separate and several and shall survive the merger of the applicable Settlement Document into any judgment. For purposes of this Section 52, the term “attorneys” includes attorneys who are employees of Mortgagees acting as counsel for Mortgagees.

53. Illinois Mortgage Foreclosure Law. In the event that any provision in this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-1101 et seq. herein called the “Act”) the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act.

If any provision of this Mortgage shall grant to Mortgagees any rights or remedies upon default of Mortgagor which are more limited than the rights that would otherwise be vested in

Mortgagees under the Foreclosure Act in the absence of said provision, Mortgagees shall be vested with the rights granted in the Foreclosure Act to the full extent permitted by law.

Without limiting the generality of the foregoing, all expenses incurred by Mortgagees upon the occurrence and during the continuation of an Event of Default to the extent reimbursable under Sections 15-1510 and 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in this Mortgage, shall be added to the Obligations.

In addition to any provision of this Mortgage authorizing the Mortgagees to take or be placed in possession of the Property, or for the appointment of a receiver, Mortgagees shall have the right, in accordance with Sections 5/15-1701 and 5/15-1702 of the Foreclosure Act, to be placed in possession of the Property or, at their request, to have a receiver appointed, and such receiver, or Mortgagees, if and when placed in possession, shall have, in addition to any other powers provided in this Mortgage, all rights, powers, immunities and duties, as provided for in Sections 5/15-1701, 5/15-1702, 5/15-1703 and 5/15-1704 of the Foreclosure Act.

MORTGAGOR SHALL NOT AND WILL NOT APPLY FOR OR AVAIL ITSELF OF ANY APPRAISEMENT, VALUATION, STAY, EXTENSION OR EXEMPTION LAWS, OR ANY SO-CALLED "MORATORIUM LAWS," NOW EXISTING OR HEREAFTER ENACTED IN ORDER TO PREVENT OR HINDER THE ENFORCEMENT OR FORECLOSURE OF THIS MORTGAGE, BUT HEREBY WAIVES THE BENEFIT OF SUCH LAWS. MORTGAGOR FOR ITSELF AND ALL WHO MAY CLAIM THROUGH OR UNDER IT WAIVES ANY AND ALL RIGHT TO HAVE THE PROPERTY AND ESTATES COMPRISING THE PROPERTY MARSHALLED UPON ANY FORECLOSURE OF THE LIEN HEREOF AND AGREES THAT ANY COURT HAVING JURISDICTION TO FORECLOSE SUCH LIEN MAY ORDER THE PROPERTY SOLD AS AN ENTIRETY. IN THE EVENT OF ANY SALE MADE UNDER OR BY VIRTUE OF THIS MORTGAGE, THE WHOLE OF THE MORTGAGED PROPERTY MAY BE SOLD IN ONE PARCEL AS AN ENTIRETY OR IN SEPARATE LOTS OR PARCELS AT THE SAME OR DIFFERENT TIMES, ALL AS MORTGAGEES MAY DETERMINE. MORTGAGEES SHALL HAVE THE RIGHT TO BECOME THE PURCHASER AT ANY SALE MADE UNDER OR BY VIRTUE OF THIS MORTGAGE AND MORTGAGEES SHALL BE ENTITLED TO CREDIT BID THE INDEBTEDNESS OR ANY PORTION THEREOF IN MORTGAGEES' SOLE DISCRETION.

THE MORTGAGOR, ON ITS OWN BEHALF AND ON BEHALF OF EACH AND EVERY PERSON ACQUIRING ANY INTEREST IN OR TITLE TO THE PROPERTY SUBSEQUENT TO THE DATE OF THIS MORTGAGE, HEREBY IRREVOCABLY WAIVES PURSUANT TO 735 ILCS 5/15-1601 OF THE FORECLOSURE ACT ANY AND ALL RIGHTS OF REINSTATEMENT (INCLUDING, WITHOUT LIMITATION, ALL RIGHTS OF REINSTATEMENT PROVIDED FOR IN 735 ILCS 5/15-1602) AND REDEMPTION FROM SALE OR FROM OR UNDER ANY ORDER, JUDGMENT OR DECREE OF FORECLOSURE OF THIS MORTGAGE (INCLUDING, WITHOUT LIMITATION, ALL RIGHTS OF REDEMPTION PROVIDED FOR IN 735 ILCS 5/15-1603) OR UNDER ANY POWER CONTAINED HEREIN OR UNDER ANY SALE PURSUANT TO ANY STATUTE, ORDER, DECREE OR JUDGMENT OF ANY COURT.

Mortgagor acknowledges that the transaction of which this Mortgage is a part is a transaction which does not include either agricultural real estate (as defined in Section 15-1201 of the Act) or residential real estate (as defined in Section 15-1219 of the Act), and upon the occurrence and during the continuation of an Event of Default to the full extent permitted by law, hereby voluntarily and knowingly waives its rights to reinstatement and redemption to the extent allowed under Section 15-1601(b) of the Act, and to the full extent permitted by law, the benefits of all present and future valuation, appraisal, homestead, exemption, stay, redemption and moratorium laws under any state or federal law.

The following notice is provided pursuant to paragraph (3) of 815 ILCS 180/10: Unless the Mortgagor provides evidence of the insurance coverage required by the Settlement Documents, the Mortgagees may purchase such insurance at the Mortgagor's expense to protect the Mortgagees' interests in the Mortgagor's collateral. This insurance may, but need not, protect the Mortgagor's interests. The coverage that the Mortgagees purchase may not pay any claim that the Mortgagor may make or any claim that is made against the Mortgagor in connection with the collateral. The Mortgagor may later cancel any insurance purchased by the Mortgagees, but only after providing evidence that the Mortgagor has obtained insurance as required by the Settlement Documents. If the Mortgagees purchases insurance for the collateral, the Mortgagor will be responsible for the costs of that insurance, including the insurance premium, interest and any other charges that the Mortgagees may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Obligations of the Mortgagor. The costs of the insurance may be more than the cost of insurance that the Mortgagor may be able to obtain on the Mortgagor's own.

54. Mortgagees. This Mortgage and all rights, interests, powers and remedies of Mortgagees hereunder may be enforced by either Mortgagee on behalf, and for the benefit, of the other Mortgagee.

[The remainder of this page is intentionally left blank.]

EXHIBIT A

LEGAL DESCRIPTION

That real property situated in the County of Peoria, in the State of Illinois, to wit:

Lot 3 in Plaza West Subdivision, Phase 2, according to the plat thereof recorded September 17, 2007 in Plat Book 11, Page 48, in the Peoria County Recorder's Office as Document No. 07-30298, and amended by the plat recorded December 4, 2012 in Plat Book 12, Page 108, as Document No. 12-031997.

Parcel ID: 13-10-201-014

Common Address: N Orange Prairie Road, Peoria, IL 61615

A part of Lot 9 in Plaza West Phase 3, being a resubdivision of Lot 6 of Plaza West Phase 2, being a resubdivision of Lots 1 and 2 of Plaza West, being a subdivision of a part of the Northeast Quarter of Section 10, Township 9 North, Range 7 East of the Fourth Principal Meridian, being more particularly described as follows: Commencing at the northeast corner of said Lot 9; thence North 88 Degrees 22 minutes 23 seconds West (bearings assumed for the purpose of description only) along the north line of said Lot 9, a distance of 17.23 feet to the Point of Beginning of the tract to be described; thence continuing North 88 Degrees 22 minutes 23 seconds West along the north line of said Lot 9, a distance of 263.59 feet to the northwest corner of said Lot 9; thence South 00 Degrees 04 minutes 15 seconds West along the west line of said Lot 9, a distance of 506.05 feet to the southwest corner of said Lot 9; thence South 89 Degrees 56 minutes 54 seconds East along the south line of said Lot 9, a distance of 310.82 feet to a point on the west right-of-way line of Orange Prairie Road; The following 5 courses follow along the west right-of-way line of Orange Prairie Road; thence North 00 Degrees 03 minutes 44 seconds East, a distance of 68.93 feet; thence in a northwesterly direction on a curve to the left having a radius of 4953.00 feet for an arc distance of 157.86 feet; thence North 05 Degrees 43 minutes 34 seconds West, a distance of 71.24 feet; thence North 18 Degrees 15 minutes 05 seconds West, a distance of 51.25 feet; thence North 07 Degrees 56 minutes 27 seconds West, a distance of 154.00 feet to the Point of Beginning, situated in the County of Peoria and State of Illinois.

Parcel ID: 13-10-201-016

Common Address: N Orange Prairie Road, Peoria, IL 61615

Lot 4 in Plaza West Subdivision, Phase 2, according to the plat thereof recorded September 17, 2007 in Plat Book 11, Page 48, in the Peoria County Recorder's Office as Document No. 07-30298, and amended by the plat recorded December 4, 2012 in Plat Book 12, Page 108, as Document No. 12-031997.

Parcel ID: 13-10-201-013

Common Address: N Orange Prairie Road, Peoria, IL 61615

Lot 5 of Prairie Crossing Section Two, a subdivision of Lot 3 of the Re-Subdivision Lot 2 of Prairie Crossing Subdivision and Outlot "A" of Prairie Meadows Subdivision, all being in the Northeast Quarter of Section 11, Township 9 North, Range 7 East, of the Fourth Principal Meridian, Peoria County, Illinois.

Parcel ID: 13-11-201-006

Common Address: Route 91, Peoria, IL 61615

Lot 1 of the Northlake Subdivision, a subdivision of Lot 1 of Peoria Regional Center (recorded as Document No. 02-16182 at Peoria County Recorder's Office), being a part of the Southwest Quarter of Section 2, Township 9 North, Range 7 East of the Fourth Principal Meridian, Peoria County, Illinois.

Parcel ID: 13-02-351-003

Common Address: W Sienna Ln, Peoria, IL 61615

Lot 5 of PRAIRIE MEADOWS SUBDIVISION SECTION TWO, a resubdivision of Lots 2 and 3 of Prairie Meadows Subdivision as recorded in Plat book 9, page 131 at the Peoria County Recorder's Office as Document Number 05-37633, being a part of the Northeast Quarter of Section 11, Township 9 North, Range 7 East of the Fourth Principal Meridian, Peoria County, Illinois, as shown on Plat recorded in Plat Book 10, page 7, as Document Number 05-42252.

Parcel ID: 13-11-203-002

Common Address: 7708 IL-91, Peoria, IL 61615

Schedule A – List of Petersen Parties

1. Mark B. Petersen, an individual
2. Petersen Companies, LLC, an Illinois limited liability company
3. Petersen Hotels, LLC, an Illinois limited liability company
4. Plaza West Development, LLC, an Illinois limited liability company
5. Petersen Hospitality, LLC, a Delaware limited liability company
6. Candle Hospitality, LLC, an Illinois limited liability company
7. Twenty Four Corp, LLC, an Illinois limited liability company

PREPARED BY AND AFTER
RECORDING RETURN TO:

Martin J. Lee
Greenberg Traurig, LLP
360 North Green Street, Suite 1300
Chicago, Illinois 60607

(For Recorder's Use Only)

**MORTGAGE, ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**

by

PETERSEN COMPANIES, LLC,
an Illinois limited liability company, as Mortgagor
(**"Mortgagor"**)

to

DAVID CAMPBELL, in his capacity as the Plan Administrator, and
DAN DOOLEY, in his capacity as Liquidating Trustee,
as Mortgagee
(**"Mortgagee"**)

as of _____, 2025

ATTENTION: COUNTY CLERK - THIS MORTGAGE COVERS GOODS THAT ARE OR ARE TO BECOME FIXTURES ON THE REAL PROPERTY DESCRIBED HEREIN AND IS TO BE FILED FOR RECORD IN THE RECORDS WHERE MORTGAGES ON REAL ESTATE ARE RECORDED. ADDITIONALLY, THIS MORTGAGE SHOULD BE APPROPRIATELY INDEXED, NOT ONLY AS A MORTGAGE, BUT ALSO AS A FIXTURE FILING COVERING GOODS THAT ARE OR ARE TO BECOME FIXTURES ON THE REAL PROPERTY DESCRIBED HEREIN. THE MAILING ADDRESSES OF THE MORTGAGOR (DEBTOR) AND MORTGAGEE (SECURED PARTY) ARE SET FORTH IN THIS MORTGAGE.

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this “**Mortgage**”), is made as of _____, 2025, by PETERSEN COMPANIES, LLC, an Illinois limited liability company, having an address of 830 West Trailcreek Drive, Peoria, Illinois 61614 (“**Mortgagor**”), to DAVID CAMPBELL, in his capacity as the Plan Administrator, and DAN DOOLEY, in his capacity as Liquidating Trustee (each a “**Mortgagee**” and, together with its successors and assigns, including each and every holder from time to time of the Note described below, to be indexed as grantee and to be referred to hereinafter as “**Mortgagees**”).

BACKGROUND:

A. The parties listed on Schedule A attached hereto (collectively, the “**Petersen Parties**”) executed and delivered that certain Promissory Note, dated of even date, in the original principal amount of \$6,700,000.00 made by Petersen Parties and payable to Mortgagees (the “**Note**”) to evidence certain settlement amounts due to Mortgagees in the amount of \$6,700,000.00 (the “**Settlement Amounts**”) pursuant to that certain Settlement Agreement dated as of _____, 2025 among (i) SC Healthcare Holding, LLC and its affiliated debtors and debtors in possession in the jointly administered chapter 11 cases pending in the United States Bankruptcy Court for the District of Delaware under Case No. 24-10443 (TMH); (ii) the Official Committee of Unsecured Creditors appointed in the Chapter 11 Cases; (iii) Mark B. Petersen (“**Mr. Petersen**”); and (iv) all non-Debtor entities owned, whether directly or indirectly, by Mr. Petersen, including without limitation, Petersen Companies, LLC, Petersen Hotels, LLC, Plaza West Development, LLC, Petersen Hospitality, LLC, Candle Hospitality, LLC and Twenty Four Corp, LLC (the “**Settlement Agreement**”);

B. Mortgagor holds fee simple title to the real estate legally described on Exhibit A attached to and made a part of this Mortgage (the “**Land**”).

C. Mortgagees have required, among other things, that Mortgagor enter into this Mortgage and grant to Mortgagees a lien and security interest in and to the Land and other Mortgaged Property now or hereafter owned by Mortgagor to secure all of the following (all of which may be referred to collectively as the “**Obligations**”): (i) payment of the principal amount of the Settlement Amount evidenced by the Note and any amendments, restatements, modifications and supplements thereof, together with the interest thereon at the rate specified in the Note, and all fees, charges, and prepayment fees, if any, as provided in the Note or any other Settlement Document (as defined in the Note), (ii) payment of all other monies or sums provided to be paid by Mortgagor or Petersen Parties pursuant to the terms, provisions and conditions of the Settlement Documents (defined in the below), including, without limitation, this Mortgage, and (iii) performance of each and every obligation, agreement, promise, covenant, warranty, and representation now or hereafter due and owing, made or undertaken by Mortgagor or Petersen Parties as set forth in the Note, this Mortgage, the Settlement Agreement, and the other Settlement Documents (as defined in the Note).

Statement of Agreement:

NOW, THEREFORE, Mortgagor agrees with Mortgagees as follows:

1. **Definitions:** As used in this Mortgage, the following terms shall have the meanings indicated below:

“Agreements” shall mean all contracts, agreements, warranties, representations, service agreements, maintenance contracts and agreements relating to the use, occupancy, operation, management, leasing, repair and service of the Real Estate or any part thereof, whether presently existing or entered into after the date hereof.

“Bankruptcy Code” shall mean Title 11 of the United States Code entitled “Bankruptcy” as now or hereafter in effect or any successor code thereto.

“Fixtures” shall mean all furniture, furnishings, fixtures, appliances, machinery or equipment owned by Mortgagor which are now or at any time hereafter may be attached to or situated upon or affixed to the Real Estate, including, but not limited to, all signs, artwork, office furnishings and equipment, all partitions, screens, awnings, shades, blinds, floor coverings, hall and lobby equipment, heating, lighting, plumbing, ventilating, refrigerating, incinerating, elevator, escalator, air conditioning and communication plants or systems with appurtenant fixtures, vacuum cleaning systems, call systems, security systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials; all equipment, manual, mechanical or motorized, for the construction, maintenance, repair and cleaning of, any parking areas, walks, underground ways, truck ways, driveways, common areas, roadways, highways and streets; and all other items of personal property now or hereafter owned by Mortgagor located in or on the Real Estate and used or useful in the present or future occupancy, operation, maintenance and leasing thereof. Fixtures specifically excludes any of the aforementioned personal property not owned by Mortgagor or by a Peterson Party such as personal property owned by a tenant.

“Improvements” shall mean all other buildings, structures, fixtures, personalty, appurtenances and improvements now or hereafter on the Land.

“Intangibles” shall mean all the records and books of account now or hereafter maintained by Mortgagor in connection with the operation of the Real Estate or otherwise; all contract rights, rights to the payment of money including tax refund claims, insurance proceeds and tort claims, chattel paper, documents, instruments, general intangibles, together with all income therefrom, increases thereunder and proceeds thereof; and all judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of any of the Real Estate or any portion thereof under the power of eminent domain, any proceeds of any policies of insurance maintained with respect to any of the Real Estate and proceeds of any sale, option or contract to sell the Real Estate or any portion thereof.

“Land” shall mean the land legally described in Exhibit A hereto, together with all easements, air rights, servitudes, rights of way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way now or hereafter belonging, relating or appertaining to the Land, and the reversions, remainder, rents, issues and profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, of Mortgagor, in and to the same.

“Leases” shall mean all leases, subleases, licenses, rental agreements, franchise and occupancy agreements, concession agreements and other agreements, whether or not in writing, for the use or occupancy of all or any portion of the Real Estate affecting the use, enjoyment or occupancy of the Real Estate or any portion thereof now or hereafter made, whether made before or after the filing by or against Mortgagor of any petition for relief under Bankruptcy Code, together with any extension, renewal or replacement of the same.

“Mortgaged Property” shall mean all of Mortgagor’s right, title and interest in and to all of the Land, the Improvements, the Fixtures, the Agreements, the Plans, the Permits, the Intangibles, the Leases and the Rents, together with any and all proceeds of any and all of the foregoing, including, without limitation, any and all cash and non-cash consideration received from the sale, exchange, lease, collection or other disposition of any and all of the foregoing, any value received as a consequence of the possession of any of the foregoing, any payment received from any insurer or other person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any of the foregoing, and all equipment, machinery, furniture, inventory, other goods, fixtures, general intangibles, instruments, chattel paper, documents, accounts and all other property of any kind or nature which are acquired with any proceeds of any of the foregoing. Mortgaged Property shall also include all renewals, substitutions, improvements, accessions, attachments, additions, remainders, reversions, replacements and all proceeds to or of each of the foregoing, any greater estate in the Real Estate or any portion thereof that may be acquired by Mortgagor; and all conversions of the security constituted thereby so that, immediately upon such acquisition, construction, assemblage, placement or conversion, as the case may be, and in each such case, the foregoing shall be deemed a part of the Mortgaged Property and shall automatically become subject to the lien of this Mortgage as full and completely and with the same priority and effect as though now owned by Mortgagor and specifically described herein, without any further mortgage, assignment or conveyance by Mortgagor.

“Permits” shall mean all building permits, certificates of occupancy and other assignable governmental permits, licenses and authorizations, including, without limitation, all state, county and local occupancy certificates, and other licenses, in any way applicable to the Real Estate or any part thereof or to the development, construction, ownership, use, occupancy, operation, maintenance, and leasing of the Real Estate.

“Personal Property” shall mean such of the Mortgaged Property owned by Mortgagor and/or the Peterson Parties which constitutes personal property under the laws of the State, including the Intangibles and any and all proceeds of any and all of the foregoing, including, without limitation, any and all cash and non-cash consideration received from the sale, exchange, lease, collection or other disposition of any and all of the foregoing, any value received as a consequence of the possession of any of the foregoing, any payment received from any insurer or other person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any of the foregoing, and all equipment, machinery, furniture, inventory, other goods, fixtures, general intangibles, instruments, chattel paper, documents, accounts and all other property of any kind or nature which are acquired with any proceeds of any of the foregoing.

“Plans” shall mean all plans and specifications relating to the development and construction of the Real Estate.

“Real Estate” shall mean the Land, the Improvements and such other of the Mortgaged Property as constitutes real property under the laws of the State, together with any and all proceeds of any and all of the foregoing, including, without limitation, any and all cash and non-cash consideration received from the sale, exchange, lease, collection or other disposition of any and all of the foregoing, any value received as a consequence of the possession of any of the foregoing (including, without limiting the generality of the foregoing, any and all real estate tax abatements now or in the future accruing to the Real Estate), any payment received from any insurer or other person or entity as a result of the destruction, loss, theft, damage or other involuntary conversion of whatever nature of any of the foregoing, and all equipment, machinery, furniture, inventory, other goods, fixtures, general intangibles, instruments, chattel paper, documents, accounts and all other property of any kind or nature which are acquired with any proceeds of any of the foregoing.

“Rents” shall mean absolutely and presently all rents, additional rents, revenues, income, issues and profits arising from the Leases and renewals and replacements thereof and any cash or security deposited in connection therewith, and together with all avails, rents, issues, cash collateral and profits arising from or accruing at any time hereafter by virtue of any agreement for the use or occupancy of the Real Estate or any portion thereof, and together with all fees, charges and compensation for the use of parking stalls or other parking privileges, and all of the foregoing whether paid or accruing before or after the filing by or against Mortgagor of any petition for relief under the Bankruptcy Code.

“State” shall mean the State of Illinois.

“Uniform Commercial Code” shall mean the Uniform Commercial Code in effect in the State.

2. Grant: As security for the Obligations, Mortgagor does hereby irrevocably grant, bargain, sell, mortgage, pledge, assign, warrant, transfer and convey the Mortgaged Property to Mortgagees, their successors and assigns, and grant a security interest to Mortgagees in, and a lien upon, all of the Mortgaged Property.

3. Assignment of Leases and Rents: Subject to Section 3(b) below, Mortgagor hereby absolutely and unconditionally sells, assigns and transfers unto Mortgagees all the Rents, now due and which may hereafter become due under or by virtue of any of the Leases, whether written or verbal, or any letting of, or of any agreement, whether written or oral, for the use or occupancy of the Mortgaged Property or any part thereof, which may be hereafter made or agreed to by Mortgagees under the powers herein granted, it being the intention hereby to establish an absolute transfer and assignment of all such Leases, and all the Rents, to Mortgagees, and not merely the passing of a security interest. Provided that Mortgagees comply with the Illinois Mortgage Foreclosure Law, IL Rev Stat 735 ILCS Section 5/15 - 1101 et seq. and obtains appropriate court order, Mortgagees may, (i) demand, sue for, attach, levy, recover, and receive all Rents and give proper receipts, releases, and acquittances therefor and after deducting expenses of collection, to the extent permitted by applicable law, to apply the net proceeds as a credit upon any portion of the Obligations selected by Mortgagees notwithstanding the fact that such portion of the

Obligations may not then be due and payable or that such portion of the Obligations is otherwise adequately secured, and Mortgagor does hereby authorize and direct any such lessee or purchaser to deliver such payment to Mortgagees and (ii) rent, lease, let or sell all or any portion of the Mortgaged Property to any party or parties at such rental or sale and upon such terms as said Mortgagees shall, in their discretion, determine, and to collect all of said Rents arising from or accruing at any time hereafter, and now due or that may hereafter become due under each and every of the Leases or otherwise, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as Mortgagees would have upon taking possession pursuant to the provisions of this Mortgage. The foregoing appointment is irrevocable and continuing and such rights, powers, and privileges shall be exclusive in Mortgagees, their successors and assigns. It is the intention of Mortgagor and Mortgagees that the assignment contained in this Section 3 be a present, unconditional, irrevocable and absolute assignment; neither obtaining possession of the Rents nor the appointment of a receiver shall be required for perfection.

(a) Nothing contained herein shall be construed as constituting Mortgagees a “mortgagee-in-possession” in the absence of the taking of actual possession of the Mortgaged Property by Mortgagees pursuant to this Mortgage. In the exercise of the powers herein granted Mortgagees, no liability shall be asserted or enforced against Mortgagees, all such liability being expressly waived and released by Mortgagor.

(b) Although it is the intention of the parties that the assignment contained in this Section 3 shall be a present absolute assignment, it is expressly understood and agreed, anything contained herein to the contrary notwithstanding, that Mortgagor shall have a license to collect such Rents until, and Mortgagees shall not exercise any of the rights or powers conferred upon it by this Section 3 until, an Event of Default shall have occurred and be continuing under this Mortgage, the Note, the Settlement Documents or any other instrument evidencing or securing the indebtedness secured hereby or delivered pursuant to any of the Settlement Documents.

4. Security Agreement: This Mortgage is both a real property Mortgage and, a “security agreement” within the meaning of the Uniform Commercial Code, and a “financing statement” within the meaning of the Uniform Commercial Code. The Mortgaged Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Mortgagor in the Mortgaged Property. By executing and delivering this Mortgage, Mortgagor hereby grants to Mortgagees, as security for the Obligations, a security interest in the Personal Property to the full extent that the Personal Property may be subject to the Uniform Commercial Code. The beneficial owner and holder of such security interest is Mortgagees, Mortgagees will be deemed the “secured party” with respect to such security interest for all purposes of the Uniform Commercial Code and will be so identified on all financing statements filed in connection therewith, and Mortgagees shall be entitled upon the occurrence of an Event of Default to exercise all the remedies of a secured party under the Uniform Commercial Code as well as all other rights and remedies available at law or in equity. The information contained in this Section 4 is provided in order that this Mortgage shall comply with the requirements of the Uniform Commercial Code for mortgages to be effective as financing statements filed as a fixture filing. The name of the “debtor” is Mortgagor; and the name of the “secured party” is Mortgagees; the mailing address of the “secured party” from which information concerning the security interest may be obtained and the mailing address of the “debtor” are as set forth in Section 43 below. The types, or the items,

of collateral covered hereby consist of the Personal Property and all other items set forth herein above in Section 1 which constitute fixtures or personal property. Mortgagor is the record owner of the Real Estate.

5. Conditions to Grant. TO HAVE AND TO HOLD the above granted and described Mortgaged Property unto Mortgagees, and the successors and assigns of Mortgagees, forever; to secure payment to Mortgagees of the Obligations at the time and in the manner provided for its payment in the Note and in this Mortgage, hereby expressly waiving and releasing any and all right, benefit, privilege, advantage or exemption under and by virtue of any and all statutes and laws of the state or other jurisdiction where the Mortgaged Property is located providing for the exemption of homesteads from sale on execution or otherwise; PROVIDED, HOWEVER, these presents are upon the express condition that, if Mortgagor shall well and truly pay to Mortgagees the Obligations (excluding those that are of an indemnity nature and are intended to survive the release of this Mortgage) at the time and in the manner provided in the Note, this Mortgage and the other Settlement Documents, shall well and truly perform the Obligations (excluding those that are of an indemnity nature and are intended to survive the release of this Mortgage) as set forth in this Mortgage and the other Settlement Documents and shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Note and the other Settlement Documents, these presents and the estate hereby granted shall cease, terminate and be void.

6. Payment and Performance of Obligations. Mortgagor shall pay when due, and shall duly and punctually perform and observe, all of the Obligations, including without limitation, all terms, provisions, conditions, covenants and agreements on Mortgagor's part to be performed or observed as provided in this Mortgage and in the other Settlement Documents; and this Mortgage shall secure such payment, performance and observance. Mortgagor shall cause Petersen Parties to pay when due, and duly and punctually perform and observe, all of the Obligations, including without limitation, all terms, provisions, conditions, covenants and agreements on Petersen Parties' part to be performed or observed as provided in this Mortgage and in the other Settlement Documents; and this Mortgage shall secure such payment, performance and observance.

7. Title to Mortgaged Property and the Lien of this Mortgage. Mortgagor covenants and represents that: (a) Mortgagor has fee simple title to all of the Real Estate; (b) Mortgagor is the sole owner with good title to all of the Personal Property, (c) Mortgagor has lawful authority to sell, assign, convey and mortgage the Mortgaged Property, and does hereby warrant generally, and agrees to defend, the Mortgaged Property and the title thereto, whether now leased or hereafter acquired, against all claims of any Person; (d) this Mortgage constitutes a valid, enforceable, lien against the Real Estate, and a valid, enforceable, lien and security interest in and to the Personal Property; and (e) all representations and warranties made by Mortgagor under this Mortgage shall be true and correct in all material respects at all times during the Settlement Amount Term (as defined in the Note).

8. Maintenance, Repair and Restoration. Mortgagor shall place and thereafter keep the Mortgaged Property in good condition, order and repair and as may be necessary to protect and preserve the value of the Mortgaged Property, causing all reasonably necessary repairs, alterations, renewals, replacement, additions, betterments and improvements to be made promptly thereto. Subject to the terms of this Mortgage and the Settlement Documents, and provided sufficient

insurance proceeds are available, Mortgagor shall promptly repair, restore or rebuild (or cause the same to be done) any of the Mortgaged Property which may become damaged or be destroyed from any cause whatsoever and pay when due all claims for labor performed and materials furnished therefor. Nothing herein is intended to limit any right Mortgagor may have to the use of insurance proceeds or condemnation awards to the extent set forth herein.

9. Use Violations or Alterations. Mortgagor shall not use, maintain, operate or occupy, or allow the use, maintenance, operation or occupancy of the Mortgaged Property in any manner which (a) violates any applicable laws; (b) creates a reasonable likelihood of danger unless safeguarded as required by applicable laws; (c) constitutes a public or private nuisance; (d) will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof, or will wholly or partially invalidate any insurance coverage required to be carried hereunder. Mortgagor shall not commit or permit any waste of the Mortgaged Property or any part thereof, whether commissive or permissive, and will not make or permit to be made any material alterations or additions to the Mortgaged Property. Mortgagor shall not abandon the Mortgaged Property or leave the Mortgaged Property unprotected, unguarded, vacant or deserted, and shall not allow any of the Mortgaged Property to be misused, abused or wasted, or to deteriorate.

10. Platting, Replatting, Subdivision and Resubdivision. Mortgagor shall not, without the consent of Mortgagees, impose any restrictions, agreements or covenants which run with the land upon the Land or the Improvements or any part thereof, nor plat, replat, subdivide, resubdivide or record condominium documents against the Land or any part thereof.

11. Compliance With respect to any agreement, documents or instruments encumbering or affecting the Mortgaged Property, Mortgagor shall (a) timely observe and perform all covenants and obligations contained therein in all material respects; (b) not take any action or fail to take any action if the taking of such action or failure to take such action would cause a default by Mortgagor thereunder, and (c) not exercise any rights or remedies thereunder which would be adverse to Mortgagees' interests, without the prior written consent of Mortgagees.

12. Real Estate Taxes, Assessments and Charges. Mortgagor shall pay, before any penalty, fine, interest or other cost for non-payment attaches, all real estate taxes, assessments and charges for the Mortgaged Property ("Real Estate Taxes").

13. Insurance Coverage.

(a) Mortgagor (i) will keep the Improvements and the Personal Property insured in a commercially reasonable manner with all-risk coverage against loss or damage by casualty in amounts which shall in no event be less than one hundred (100%) percent of the replacement cost of the Improvements and the Personal Property, and (ii) will maintain comprehensive general liability, rental and business interruption insurance and such other forms of insurance coverage with respect to the Property in a commercially reasonable manner (all insurance policies required to be maintained by Mortgagor pursuant to this Mortgage are collectively called, the "Policies" or in the singular, the "Policy").

(b) Mortgagor shall at all times comply with, and shall cause both the Property, and the use, occupancy, operation, maintenance, alteration, repair and restoration of the Mortgagor, to comply

with, the terms, conditions, stipulations and requirements of the Policies. Each Policy shall be issued by an insurer having a minimum policy holders rating of “A-VII” pursuant to the latest rating publication of Property and Casualty Insurers by A.M. Best Company (or, in the absence of such publication, or if A.M. Best Company shall change its ratings or the standards for such ratings, or shall fail to publish them currently, or shall not maintain its current reputation, then each Policy shall be issued by an insurer having a minimum rating pursuant to such rating standards as may be designated by the Mortgagees in their reasonable discretion), at all times when such Policy is in effect. Each such insurer must be lawfully doing business in the State of Illinois and must otherwise be reasonably acceptable in all respects to the Mortgagees. All Policies shall, with respect to the Improvements, contain the standard lender non-contribution clause endorsement (subject to the Mortgagees’ approval in their reasonable discretion). All Policies shall, with respect to the remaining portion of the Property, contain such endorsement to the extent such endorsement is available. To the extent that such endorsement is not available with respect to any such portion of the Property, then the Policies shall contain, with respect to such portion, a lender’s loss payable clause endorsement (subject to the Mortgagees’ approval in their reasonable discretion), all naming the Mortgagees as the person to which all payments made by the insurer under such Policies shall be paid. All Policies shall otherwise be in form and substance reasonably satisfactory to the Mortgagees. Blanket insurance policies shall not be acceptable for the purposes of this Section 13(b) unless otherwise approved in writing to the contrary by the Mortgagees. Mortgagor shall pay the premiums for the Policies (the “Insurance Premiums”) as the same become due and payable. At the request of the Mortgagees, Petersen Parties will deliver to Mortgagees a certificate of insurance for each Policy. Not later than thirty (30) days prior to the expiration date of each Policy, Mortgagor will deliver to the Mortgagees a certificate of insurance marked “premium paid” (with respect to the Insurance Premiums under such Policies for the next twelve month period) by the insurer issuing such Policies or accompanied by other evidence of payment of the Insurance Premiums which is satisfactory to the Mortgagees. The insurer issuing each Policy must be obligated, pursuant to an endorsement or certificate satisfactory to the Mortgagees in their reasonable discretion, to give at least thirty (30) days prior written notice to the Mortgagees of the expiration, cancellation, termination, or modification of such Policy. If at any time the Mortgagees are not in receipt of written evidence that all insurance required under this Mortgage is in full force and effect, then the Mortgagees shall have the right, upon reasonable written notice to Mortgagor, to take such action as the Mortgagees deem necessary to protect their interest in the Property, including, without limitation, the obtaining of such insurance coverage as the Mortgagees in their discretion deems appropriate, and all expenses incurred by the Mortgagees in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by the Mortgagor to the Mortgagees upon demand and until paid shall be secured by this Mortgage in accordance with the provisions of this Mortgage.

(c) The following notice is provided pursuant to paragraph (3) of 815 ILCS 180/10: Unless the Mortgagor provides evidence of the insurance coverage required by the Settlement Documents, the Mortgagees may purchase such insurance at the Mortgagor’s expense to protect the Mortgagees’ interests in the Mortgagor’s collateral. This insurance may, but need not, protect the Mortgagor’s interests. The coverage that the Mortgagee purchases may not pay any claim that the Mortgagor may make or any claim that is made against the Mortgagor in connection with the collateral. The Mortgagor may later cancel any insurance purchased by the Mortgagees, but only after providing evidence that the Mortgagor has obtained insurance as required by the Settlement Documents. If the Mortgagees purchase insurance for the collateral, the Mortgagor will be

responsible for the costs of that insurance, including the insurance premium, interest and any other charges that the Mortgagees may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Obligations of the Mortgagor. The costs of the insurance may be more than the cost of insurance that the Mortgagor may be able to obtain on the Mortgagor's own.

14. Mortgage Tax. If, by the laws of the United States of America, or of any state, county, or municipality having jurisdiction over Mortgagor or the Mortgaged Property or any part thereof, any tax is assessed or becomes due in respect of the issuance of the Note, or the granting or recording of this Mortgage or otherwise in connection with any of the other Settlement Documents, Mortgagor shall pay such tax in the manner required by such law.

15. Intentionally Deleted.

16. Effect of Extensions of Time and Amendments on Junior Liens and Others If the payment of the Obligations, or any part thereof, be extended or varied, or if any part of the security therefor be released, all persons now or at any time hereafter liable therefor, or interested in the Mortgaged Property or any part thereof, shall be held to assent to such extension, variation or release; and their liability and the lien and all provisions hereof shall continue in full force and effect, the right of recourse against all such persons being expressly reserved by Mortgagees, notwithstanding any such extension, variation or release. Any Person who, upon consent by Mortgagees shall take a junior mortgage, or other junior lien upon the Mortgaged Property or any part thereof or any interest therein, shall take such lien subject to the rights of Mortgagees to supplement, amend, modify, restate and extend the Settlement Documents or any of them, and to extend the maturity of the Obligations, in each and every case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage or the lien of any other Settlement Documents losing priority over the rights of any such junior lien.

17. Inspection of Premises. Mortgagees, their employees and agents, shall have the right to inspect the Mortgaged Property and every part thereof, during normal business hours upon reasonable prior written notice, and Mortgagor will cooperate (and will use commercially reasonable efforts to cause its agents and independent contractors to cooperate) with Mortgagees in arranging the inspections of the Mortgaged Property or any part thereof or any of the other Personal Property by Mortgagees and their agents and representatives, at such times as Mortgagees shall determine in their reasonable discretion, during normal business hours upon reasonable prior notice. Mortgagees shall have the right to inspect and make copies of all books, records and documents relating to the Mortgaged Property as Mortgagees shall determine in their reasonable discretion, during normal business hours upon reasonable prior notice.

18. Uniform Commercial Code. Mortgagor (as debtor) and Mortgagees (as secured party) agree: (i) that this Mortgage shall constitute a "security agreement" within the meaning of the Uniform Commercial Code with respect to the Personal Property; (ii) that a security interest in and to the Personal Property is hereby granted to Mortgagees; and (iii) that all of Mortgagor's right, title and interest therein are hereby assigned to Mortgagees; all to secure payment of the Obligations and to secure performance by Mortgagor of the terms, covenants and provisions hereof.

(a) Upon the occurrence and during the continuance of an Event of Default under this Mortgage, Mortgagees, pursuant to the appropriate provisions of the Uniform Commercial Code, shall have an option to proceed with respect to both the Real Estate and the Personal Property in accordance with their rights, powers and remedies with respect to the Real Estate, in which event the default provisions of the Uniform Commercial Code shall not apply. The parties agree that if Mortgagees shall elect to proceed with respect to the Personal Property separately from the Real Estate, Mortgagees shall have all remedies available to a secured party under the Uniform Commercial Code and ten (10) days' notice of the sale of the Personal Property shall be reasonable notice. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by Mortgagees shall include, but not be limited to, reasonable attorneys' fees and legal expenses incurred by Mortgagees. Mortgagor agrees that Mortgagor shall not, without the written consent of Mortgagees, dispose of, remove or permit to be removed from the Mortgaged Property any of the Personal Property, and that all replacements for each and every item of Personal Property shall be at least equal in value and utility to the initial value and utility of that disposed of and in such a manner that said replacement or substituted Personal Property shall be subject to the security interest created hereby and that the security interest of Mortgagees shall be perfected, it being expressly understood and agreed that all replacements, substitutions and additions to the Personal Property shall be and become immediately subject to the security interest of this Mortgage and covered hereby. Mortgagor covenants and represents that all Personal Property now is, and that all replacements thereof, substitutions therefor or additions thereto, unless Mortgagees otherwise consents, shall be free and clear of liens, encumbrances, title retention devices and security interests of others.

(b) Mortgagor and Mortgagees agree, to the extent permitted by applicable law, that: (i) all of the goods described within the definition of the words "Improvements" and "Fixtures" herein are or are to become fixtures on the Land, (ii) this Mortgage constitutes a financing statement filed as a fixture filing under the Uniform Commercial Code of the State, as amended or recodified from time to time, covering any Mortgaged Property which now is or later may become fixtures attached to the Land or Improvements; and (iii) Mortgagor is the owner of the Land. The address of Mortgagor as "debtor", and the address of Mortgagees as "secured party" are as set forth in Section 43 of this Mortgage. Mortgagor agrees that the filing of a financing statement in the records normally having to do with personal Mortgaged Property shall never be construed as in any way derogating from or impairing the express declaration and intention of the parties hereto, herein above stated, that everything used in connection with the production of income from the Mortgaged Property and/or adapted for use therein and/or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings, legal or equitable, shall be regarded as part of the Real Estate irrespective of whether (i) any such item is physically attached to the Land or Improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with Mortgagees, or (iii) any such item is referred to or reflected in any such financing statement so filed at any time. Similarly, the mention in any such financing statement of (1) rights in or to the proceeds of any fire and/or hazard insurance policy, (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) Mortgagor's interest as lessor in any present or future Leases or subleases or rights to Rents growing out of the use and/or occupancy of the Mortgaged Property, whether pursuant to a lease or otherwise, shall never be construed as in any way altering any of the rights of Mortgagees as determined by this instrument or impugning the priority of Mortgagees' lien granted hereby or by any other recorded document, but such mention

in the financing statement is declared to be for the protection of Mortgagees in the event any court or judge shall at any time hold with respect to (1), (2) or (3) that notice of Mortgagees' priority of interest to be effective against a particular class of persons, including, but not limited to, the federal government and any subdivision or entity of the federal government, must be filed in the Uniform Commercial Code records.

(c) Mortgagor, upon the reasonable request by Mortgagees from time to time, shall execute, acknowledge and deliver to Mortgagees, a separate security agreement, Financing Statement or other similar security instruments, in form reasonably satisfactory to Mortgagees, covering all Mortgaged Property of any kind whatsoever owned by Mortgagor which in the sole and exclusive opinion of Mortgagees is essential to the operation of the Mortgaged Property and which constitutes goods within the meaning of the Uniform Commercial Code or concerning which there may be any doubt whether the title to same has been conveyed by or security interest perfected by this Mortgage under the laws of the State, and shall further execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any financing statement, affidavit, continuation statement or certificate or other document as Mortgagees may reasonably request in order to perfect, preserve, maintain, continue and extend the security interest under and the priority of this Mortgage and such security instrument. Mortgagor shall from time to time, on the reasonable request of Mortgagees, deliver to Mortgagees an inventory of the Personal Property in reasonable detail.

19. Mortgagees' Right of Possession in Case of Event of Default. Upon and during the continuance of an Event of Default in any case in which under the provisions of this Mortgage, whether before or after the entire Obligations are declared to be immediately due as aforesaid, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, provided that Mortgagees comply with the Illinois Mortgage Foreclosure Law, Mortgagor shall forthwith, upon demand of Mortgagees, surrender to Mortgagees and Mortgagees shall be entitled to take actual possession of, the Mortgaged Property or any part thereof, personally, or by their agent or attorneys. In such event Mortgagees in their discretion may, as permitted by applicable law, enter upon and take and maintain possession of all or any part of said Mortgaged Property, together with all documents, books, records, papers and accounts of Mortgagor or the then owner of the Mortgaged Property relating thereto, and may exclude Mortgagor, and each of their agents or servants, wholly therefrom and may, as attorney in fact or agent of Mortgagor, or in their own name as Mortgagees and under the powers herein granted, hold, operate, manage and control the Mortgaged Property and conduct the business, if any, thereof, either personally or by their agents, and with full power to use such measures, legal or equitable, as in their discretion or in the discretion of their successors or assigns may be deemed proper or necessary to enforce the payment or security of the Rents, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, and with full power: (a) to cancel or terminate any Lease for any cause or on any ground which would entitle Mortgagor to cancel the same; (b) to elect to disaffirm any Lease which is then subordinate to the lien hereof; (c) to extend or modify any then existing Leases and to make new Leases, which extensions, modifications and new Leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Obligations and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such Leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Mortgaged Property are

subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Obligations, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; (d) to enter into any management, leasing or brokerage agreements covering the Mortgaged Property; (e) to make all reasonably necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Mortgaged Property as to it may seem judicious; (f) to insure and reinsure the same and all risks incidental to Mortgagees' possession, operation and management thereof; and (g) to receive all of such Rents; hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Mortgagor.

Mortgagees shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any Leases. Mortgagor shall and does hereby agree to indemnify and hold Mortgagees harmless of and from any and all liability, loss or damage which it may or might incur by reason of their performance of any action authorized under this Section 19 and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on their part to perform or discharge any of the terms, covenants or agreements of Mortgagor except liability, loss and damage arising solely and directly from Mortgagees' willful misconduct or gross negligence. Should Mortgagees incur any such liability, loss or damage, by their performance or nonperformance of actions authorized by this Section 19, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, together with interest on any such amount at the Interest Rate shall be secured hereby, and Mortgagor shall reimburse Mortgagees therefor immediately upon demand.

20. Restrictions on Transfer. Neither Mortgagor nor the Petersen Parties shall create, effect, contract for, consent to or permit any conveyance, sale, assignment, transfer, lease, pledge, mortgage, security interest or other voluntary lien, encumbrance or alienation of the Mortgaged Property or any part thereof or interest therein (each a "**Transfer**"), whether any such Transfer is effected directly or affected indirectly through any transfer or sale of any direct or indirect interests in Mortgagor or any Petersen Party: provided further, Mortgagor and the Peterson Parties may convey, sell or transfer the Mortgaged Property so long as all of the Obligations are paid off at the time of such sale, transfer or conveyance. If Mortgagor desires to sell a portion of the Property, Mortgagor shall send to Mortgagees a written request to release such portion of the Property from this Mortgage. Such request shall set forth the amount of net proceeds from the sale to be applied to the Obligations ("**Net Sales Proceeds**"). Mortgagees' consent to such sale shall not be unreasonably withheld, conditioned, or delayed; provided, a mortgage release for such portion of the Property shall be provided to Mortgagor only simultaneously with the payment to Mortgagees of the Net Sales Proceeds.

21. Events of Default. Each of the following shall constitute an "**Event of Default**" under this Mortgage:

(a) Payment Defaults. Mortgagor's or Petersen Parties' failure to pay (i) upon Maturity (whether by acceleration or otherwise) or an Event of Default, any unpaid principal or interest on this Note or any other amounts owing in connection with the Settlement Documents; or (ii) any other monetary obligation (not described in clause (i)) to the Mortgagees under the this Note or

any other Settlement Document when due and payable and the continuation of such failure for a period of seven (7) days after written notice from Mortgagees;

(b) Representations. Any representation, warranty or certification made by any Petersen Party or Mortgagor, in or pursuant to any of Settlement Documents is or becomes materially false or misleading at any time when such representation, warranty, or certification is required to be operative, and continues to be materially false or misleading for thirty (30) days after receipt of notice thereof by the Mortgagor;

(c) Attachment. There is an attachment, execution or other judicial seizure of any portion of the Mortgagor's or any Petersen Party's assets and such seizure is not discharged within sixty (60) days of such attachment, execution or other judicial seizure, as the case may be; provided, no such judgment or judgment lien shall be an Event of Default unless such judgment or judgment lien creates a lien on the Property which is pari passu or superior to the lien created by this Mortgage.

(d) Taxes. Mortgagor or any Petersen Party breaches or defaults under any of Section 12 and such breach or default continues for seven (7) days after receipt of written notice thereof from the applicable taxing authority or the Mortgagee, without being cured by Mortgagor or such Petersen Party;

(e) Insurance. Mortgagor or any Petersen Party breaches or defaults under any of Section 13 of this Mortgage; provided, Mortgagor or such Petersen Party shall have seven (7) days to cure any breaches or defaults with respect to delivery to Mortgagees of (1) certificates of insurance or (2) copies of insurance policies;

(f) Transfers. Mortgagor or any Petersen Party breaches or defaults under any of Section 20 of this Mortgage;

(g) Lien. After the Effective Date, any lien or notice of lien of any kind (whether for the performance of work, the supplying of materials, a judgment lien, a tax lien, or otherwise) is filed or served against any part of the Land, and Mortgagor or any Petersen Party fails either to satisfy such lien or insure over such lien with a title company reasonably approved by Mortgagee within the earlier of the time necessary to stay enforcement of the lien or thirty (30) days after the date of filing or serving of such lien or notice of lien;

(h) Impairment of Security, etc. Any Settlement Document, or any lien granted thereunder, shall (except in accordance with its terms), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of any obligor party thereto; or Mortgagor or any Petersen Party, shall, directly or indirectly, contest in any manner such effectiveness, validity, binding nature or enforceability; or any lien securing the Settlement Amount shall, in whole or in part, cease to be a perfected Lien with the same priority as at the time this Mortgage is recorded; or

(i) Settlement Agreement Events of Default.

(i) Mortgagor shall attempt to recover on the Administrative Expense Claim (as defined in the Settlement Agreement);

(ii) an Event of Default shall occur under that certain Promissory Note dated as of the date hereof by the Petersen Parties to Mortgagee in the principal sum of SIX MILLION SEVEN HUNDRED THOUSAND AND 00/ 100 DOLLARS (\$6,700,000.00);

(iii) any of the Petersen Parties attempts to sell, transfer, assign, encumber, mortgage, pledge, lease, or otherwise dispose of or impair any interest in the Properties (as defined in the Settlement Agreement), except to pay all of the Obligations, or other assets, except as expressly permitted under the Settlement Agreement and the definitive documentation or with the consent of the Plan Administrator and the Liquidating Trustee (each as defined in the Settlement Agreement), as the case may be;

(iv) the Petersen Parties attempt to challenge, delay, vacate, set aside, or otherwise interfere with the filing, entry, or enforcement of the Stipulation and Consent Judgment (as defined in the Settlement Agreement) upon the occurrence of any Event of Default, except to contest whether an Event of Default has occurred;

(v) the Petersen Parties fail or cause to fail to transfer the Net Sale Proceeds (as defined in the Settlement Agreement) as set forth in and in accordance with the Settlement Agreement upon the closing of any sale of Properties (as defined in the Settlement Agreement);

(vi) an Insolvency Proceeding (as defined in the Settlement Agreement) is filed by or against any of the Petersen Parties; and

(j) Other Breaches and Defaults. Mortgagor or any Petersen Party breaches or defaults under any other term or provision of this Mortgage, the Note, or any Settlement Document (other than any breach or default described in any of Section 21 (a) through (g) (inclusive)), and such breach or default continues for thirty (30) days after written notice of such breach or default from Mortgagees; provided, further, if Mortgagor has commenced to cure such breach or default within said 30 day period and is diligently pursuing such cure, Mortgagor shall be granted sixty (60) additional days (up to a total of 90 days from the date of the original notice of breach or default) to cure such breach or default.

22. Remedies. Upon the occurrence of any Event of Default, the Mortgagees shall have every right, power or remedy, express or implied, given now or hereafter existing, at law or in equity, including, but not limited to, the right immediately to declare the Settlement Amount and all other Obligations immediately due and payable, the right to foreclose this Mortgage, the right to pursue all remedies available pursuant to the Note, and/or the right to pursue all remedies available pursuant to the Settlement Agreement and/or each other Settlement Document. Upon the filing of any complaint for that purpose, the court in which such complaint is filed may, upon application of the Mortgagees or at any time thereafter, either before or after foreclosure sale, and without regard to the solvency or insolvency at the time of such application of any Person then liable for the payment of any of the Obligations, without regard to the then value of the Mortgaged Property or whether the same shall then be occupied, in whole or in part, as a homestead, by the owner of the equity of redemption, and without regarding any bond from the complainant in such proceedings, appoint or seek to have appointed a receiver for the Mortgaged Property, or any part thereof as it may designate, for the benefit of the Mortgagees, with power to take possession,

charge, and control of the Mortgaged Property, to lease the same, to keep the buildings thereon insured and in good repair, and to collect all Rents during the pendency of such foreclosure suit, and, in case of foreclosure sale and a deficiency, during any period of redemption. The court may, from time to time, authorize said receiver to apply the net amounts remaining in its hands, after deducting reasonable compensation for the receiver and its counsel as allowed by the court, in payment (in whole or in part) of any or all of the Obligations, including without limitation the following, in such order of application as the Mortgagees may elect: (i) amounts due under the Settlement Documents, (ii) amounts due upon any decree entered in any suit foreclosing this Mortgage, (iii) costs and expenses of foreclosure and litigation upon the Land, (iv) insurance premiums, repairs, taxes, special assessments, water charges and interest, penalties and costs, in connection with the Land, (v) any other lien or charge upon the Mortgaged Property that may be or become superior to the lien of this Mortgage, or of any decree foreclosing the same and (vi) all moneys advanced by the Mortgagees in accordance with the Settlement Documents to cure or attempt to cure any Event of Default by the Mortgagor or any Petersen Party in the performance of any obligation or condition contained in any Settlement Documents or this Mortgage or otherwise, to protect the security hereof provided herein, or in any Settlement Documents, with interest on such advances at the Interest Rate. The overplus of the proceeds of sale, if any, shall then be paid to the Mortgagor. This Mortgage may be foreclosed once against all, or successively against any portion or portions, of the Mortgaged Property, as the Mortgagees may elect, until all of the Mortgaged Property has been foreclosed against and sold. As part of the foreclosure, the Mortgagees in their discretion may, with or without entry, personally or by attorney, sell to the highest bidder all or any part of the Mortgaged Property, and all right, title, interest, claim and demand therein, and the right of redemption thereof, as an entirety, or in separate lots, as Mortgagees may elect, and in one sale or in any number of separate sales held at one time or at any number of times, all in any manner and upon such notice as provided by applicable law. Upon the completion of any such sale or sales, Mortgagees shall transfer and deliver, or cause to be transferred and delivered, to the purchaser or purchasers the property so sold, in the manner and form as provided by applicable law, and Mortgagees are hereby irrevocably appointed the true and lawful attorney-in-fact of Mortgagor, in its name and stead, to make all necessary transfers of property thus sold, and for that purpose Mortgagees may execute and deliver, for and in the name of Mortgagor, all necessary instruments of assignment and transfer, Mortgagor hereby ratifying and confirming all that said attorney-in-fact shall lawfully do by virtue hereof. In the case of any sale of the Mortgaged Property pursuant to any judgment or decree of any court at public auction or otherwise, Mortgagees may become the purchaser, and for the purpose of making settlement for or payment of the purchase price, shall be entitled to credit bid in all or any portion of the Obligations. In case of any foreclosure of this Mortgage (or the commencement of or preparation therefor) in any court, all expenses of every kind reasonably paid or incurred by the Mortgagees for the enforcement, protection or collection of this security, including court costs, reasonable attorneys' fees, stenographers' fees, costs of advertising, and costs of title insurance and any other documentary evidence of title, shall be paid by the Mortgagor.

23. Waivers and Agreements Regarding Remedies. To the full extent Mortgagor may do so, Mortgagor hereby:

(a) agrees that it will not at any time plead, claim or take advantage of any applicable laws now or hereafter in force providing for any appraisalment, valuation, stay, extension or redemption,

and waives and releases all rights of redemption, valuation, appraisal, stay of execution, extension and notice of election to accelerate the Obligations.

(b) waives all rights to a marshaling of the assets of Mortgagor, including without limitation, the Mortgaged Property, or to a sale in the inverse order of alienation in the event of a foreclosure of the Mortgaged Property, and agrees not to assert any right under any applicable laws pertaining to the marshaling of assets, the sale in inverse order of alienation, the exemption of homestead, the administration of estates of decedents, or other matters whatsoever, to defeat, reduce or affect the right of Mortgagees under the terms of this Mortgage to a sale of the Mortgaged Property without any prior or different resort for collection, or the right of Mortgagees to the payment of the Obligations out of the proceeds of sale of the Mortgaged Property in preference to every other claimant whatsoever.

(c) waives and relinquishes any and all rights and remedies which Mortgagor may have or be able to assert by reason of the provisions of any applicable laws pertaining to the rights and remedies of sureties.

24. Suits to Protect the Mortgaged Property. Mortgagees shall have the power and authority (but not the duty) upon advance written notice to Mortgagor to institute and maintain any suits and proceedings as Mortgagees may deem advisable (a) to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or which violate the terms of this Mortgage, (b) to preserve or protect their interest in the Mortgaged Property, or (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order might impair the security hereunder or be prejudicial to Mortgagees' interest.

25. Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding affecting Mortgagor, or any constituent member of Mortgagor, to the extent permitted by applicable law, Mortgagees shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have their claim allowed in such proceedings for the entire amount due and payable by Mortgagor under the Settlement Documents, at the date of the institution of such proceedings, and for any amounts which may become due and payable by Mortgagor after such date.

26. Discontinuance of Proceedings Position of Parties Restored. If Mortgagees shall have proceeded to enforce any right or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason, then and in every such case Mortgagees and Mortgagor shall be restored to their respective former positions and rights hereunder, and all rights, powers and remedies of Mortgagees shall continue as if no such proceedings had occurred or had been taken.

27. Rights Cumulative. Each right, power and remedy herein conferred upon Mortgagees is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing, at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient to Mortgagees and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter

any other right, power or remedy; and no delay or omission of Mortgagees in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein. No act of Mortgagees shall be construed as an election to proceed under any one provision of this Mortgage to the exclusion of any other provision. Mortgagees shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Obligations as same shall become due, without regard to whether or not the balance of the Obligations shall then be due, and without prejudice to the right of Mortgagees thereafter to bring an action of foreclosure or any other action by reason of any other default or defaults by Mortgagor existing at the time such earlier action was commenced.

28. No Liability on Mortgagees. Notwithstanding anything contained herein to the contrary, Mortgagees shall not be obligated to perform or discharge, any Obligation, duty or liability of Mortgagor, whether under any of the Leases or otherwise, and Mortgagor shall and does hereby agree to indemnify and hold Mortgagees harmless of and from any and all liability, claim expense, loss or damage which Mortgagees may or might incur with respect to the Mortgaged Property, or under or by reason of their exercise of rights hereunder, and of and from any and all claims and demands whatsoever which may be asserted against Mortgagees by reason of any alleged obligations or undertakings on their part to be performed or discharged except any liability, claim expense, loss or damage arising solely and directly from Mortgagees' willful misconduct or gross negligence. Except for Mortgagees' willful misconduct or gross negligence, Mortgagees shall not have responsibility for the control, care, management or repair of the Mortgaged Property, or be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Mortgaged Property resulting in loss or injury or death to any tenant, licensee, employee or stranger. Unless otherwise provided for herein, no liability shall be enforced or asserted against Mortgagees in their exercise of the powers herein granted, and Mortgagor expressly waives and releases any such liability. Should Mortgagees incur any such liability, loss or damage, under any of the Leases or under or by reason hereof, or in the defense of any claims or demands, Mortgagor agrees to reimburse Mortgagees immediately upon demand for the amount thereof, including costs, expenses and reasonable attorneys' fees, together with interest thereon from date of such payment at the interest rate set forth in the Note.

29. Intentionally Deleted.

30. Intentionally Deleted.

31. Intentionally Deleted.

32. Intentionally Deleted.

33. Intentionally Deleted.

34. Further Assurances. Mortgagor will do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary or proper for the better assuring, conveying, mortgaging, assigning and confirming unto Mortgagees, as the case may be, all Mortgaged Property mortgaged hereby or Mortgaged Property intended so to be, whether now owned by Mortgagor or hereafter acquired. Upon any failure by Mortgagor to do so after fifteen

(15) days after written request therefor, Mortgagees may make, execute and record any and all such documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagees their agent and attorney-in-fact for that purpose.

35. Mortgagees' Performance of Mortgagor's Obligations. Upon the occurrence and during the continuance of an Event of Default, or upon the occurrence and during the continuance of any emergency (which in Mortgagees' commercially reasonable opinion would or could reasonably be anticipated to endanger, impair or otherwise harm the Mortgaged Property or any part thereof and, in Mortgagees' reasonable opinion, is not being adequately addressed by Mortgagor), Mortgagees, either before or after acceleration of the Obligations or the foreclosure of this Mortgage and during the period of redemption, if any, may, but shall not be required to, make any payment or perform any act herein required of Mortgagor (whether or not Mortgagor is personally liable therefor) in any form and manner deemed expedient to Mortgagees; and Mortgagees may, but shall not be required to, make full or partial payments with respect to any encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Mortgaged Property or any part thereof or contest any tax or assessment, and may, but shall not be required to rent and operate the Mortgaged Property, and pay operating costs and expenses (including without limitation reasonable management fees) of every kind and nature in connection therewith, so that the Mortgaged Property shall be operational and usable for its intended purposes. All monies paid for any of the purposes herein authorized, and all reasonable expenses paid or incurred in connection therewith, including without limitation reasonable attorneys' fees and all costs of litigation through and including post judgment and appellate proceedings, if any, and other monies advanced by Mortgagees to protect the Mortgaged Property or any part thereof, and the interest created by this Mortgage, or to pay any operating costs and expenses thereof or to keep the Mortgaged Property operational and usable for its intended purpose shall be included within the term "Obligations" as used in this Mortgage, and shall become immediately due and payable without notice, and with interest thereon at the Interest Rate. Inaction of Mortgagees shall never be considered as a waiver of any right accruing to it on account of any Default on the part of Mortgagor. Mortgagees, in making any payment hereby authorized (a) relating to Real Estate Taxes, may do so according to any bill, statement or estimate, without inquiry into the validity of any Real Estate Tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (b) for the purchase, payment, discharge, compromise or settlement of any other lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (c) in connection with the completion of construction, furnishing or equipping of the improvements or the Mortgaged Property or the rental, operation or management of the Mortgaged Property or the payment of operating costs and expenses thereof, Mortgagees may do so in such amounts and to such persons as are commercially reasonable and may enter into such contracts therefor as Mortgagees may deem appropriate and are commercially reasonable or may perform the same itself.

36. Intentionally Deleted.

37. Future Advances; Maximum Indebtedness. This Mortgage is granted to secure not only existing indebtedness, but also future advances made pursuant to or as provided in the Settlement Documents, whether such advances are obligatory or to be made at the option of Mortgagees, or otherwise, to the same extent as if such future advances were made on the date of execution of this Mortgage, although there may be no advance made at the time of execution hereof, and although

there may be no indebtedness outstanding at the time any advance is made. Notwithstanding anything in this Mortgage to the contrary, the maximum principal amount of the indebtedness secured by this Mortgage shall not exceed \$13,400,000.00 plus all costs of enforcement and collection of this Mortgage and the other Settlement Documents, including reasonable attorney's fees, plus the total amount of any advances made pursuant to the Settlement Documents to protect the collateral and the security interest and lien created hereby, or the priority thereof, together with interest on all of the foregoing as provided in the Settlement Documents.

38. Mortgagor's Successors. In the event that the ownership of Mortgaged Property, or any part thereof, becomes vested in a person or persons other than Mortgagor, Mortgagees may, without notice to Mortgagor, deal with such successor or successors in interest of Mortgagor with reference to this Mortgage and the Obligations in the same manner as with Mortgagor; provided, however, that nothing contained in this Section 38 shall modify, limit or otherwise abrogate the restrictions on transfer set forth in Section 20.

39. Successors and Assigns. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon Mortgagor and its successors and assigns (including, without limitation, each and every record owner from time to time of the Mortgaged Property or any other person having an interest therein), and shall inure to the benefit of Mortgagees and their successors and assigns. Wherever herein Mortgagees are referred to, such reference shall be deemed to include the holder from time to time of the Note, whether so expressed or not, and each such holder of the Note shall have and enjoy all of the rights, privileges, powers, options and benefits afforded hereby and hereunder, and may enforce each and every term and provision hereof as fully and to the same extent and with the same effect as if such holder were herein by name specifically granted such rights, privileges, powers, options and benefits and was herein by name designated Mortgagees.

40. Provisions Severable. If fulfillment of any provision of this Mortgage or any transaction related hereto shall at any time involve transcending the limit of validity prescribed by applicable law, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity; and if any clause or provision herein contained, other than the provisions requiring Mortgagor to pay the Obligations, operates or would prospectively operate to invalidate this Mortgage in whole or in part, then such clause or provision only shall be void, as though not herein contained, and the remainder of this Mortgage shall remain operative and in full force and effect; and if such clause or provision requires Mortgagor to pay any of the Obligations, then at the sole option of Mortgagees, all of the Obligations shall become due and payable.

41. Time of the Essence. Time is of the essence of each covenant, condition and provision of this Mortgage to be performed by Mortgagor.

42. Captions and Pronouns. The captions and headings of the various sections of this Mortgage are for convenience only, and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

43. Notices. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing, addressed as follows and shall be deemed to have been properly given if hand delivered, if sent by reputable overnight courier (effective the business day following delivery to such courier) or if mailed (effective three business days after mailing) by United States registered or certified mail, postage prepaid, return receipt requested:

If to Mortgagor: c/o Saul Ewing LLP
1201 N. Market Street, Suite 2300
Wilmington, DE 19899
Attn: John D. Demmy and Paige N. Topper

with copies to: c/o Saul Ewing LLP
161 North Clark Street, Suite 4200
Chicago, IL 60601
Attn: Barry A. Chatz

If to the Mortgagees: c/o Greenberg Traurig, LLP
222 Delaware Avenue, Suite 1600
Wilmington, DE 19801
Attn: Anthony W. Clark and Dennis A. Meloro

with copies to: c/o Greenberg Traurig, LLP
360 North Green Street, Suite 1300
Chicago, IL 60607
Attn: Nancy A. Peterman and Danny Duerdoth

c/o Winston & Strawn LLP
35 W. Wacker Drive
Chicago, IL 60601
Attn: Daniel J. McGuire and Gregory M. Gartland

c/o Winston & Strawn LLP
200 Park Avenue
New York, NY 10166
Attn: Carrie V. Hardman

or at such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice. Notices given in any other fashion shall be deemed effective only upon receipt.

44. Casualty and Condemnation.

(a) Mortgagor shall give Mortgagees prompt written notice of the occurrence of any casualty affecting any or all of the Real Estate, or any portion thereof. All insurance proceeds on the Real Estate and all causes of action, claims, compensation, awards and recoveries for any damage to any part of the Real Estate or for any damage or injury to the Real Estate for any loss or diminution

in value of the same or any part thereof shall be used by Mortgagor to repair and restore the Real Estate. Mortgagor covenants and agrees to use all such insurance proceeds solely to perform repairs and restoration of the Real Estate. In the event either (i) Mortgagor chooses not to repair or restore the Real Estate or (ii) the casualty is such that repair and restoration is not practical, then the insurance proceeds shall be paid to Mortgagees and shall be applied to the Obligations.

(b) If the Real Estate or any portion thereof is taken or damaged by eminent domain powers of any governmental authority, the award shall be paid to Mortgagees (and all awards and proceeds on the Real Estate and all causes of action, claims, compensation, awards and recoveries for any such taking, or for any damage or injury to the Real Estate for any loss or diminution in value of the same or any part thereof, is hereby assigned to Mortgagees) and applied to the payment of the Obligations, after deducting any costs incurred by Mortgagees in connection therewith, in whatever order Mortgagees direct in their reasonable discretion.

45. Parties Not Partners. Nothing contained in this Mortgage shall constitute Mortgagor and Mortgagees as joint venturers or partners with one another or agents for one another or render either of them liable for and debts or obligations of the other.

46. Estoppel Letters. Mortgagor, upon ten (10) Business Days' prior written notice, shall furnish Mortgagees with a written statement, duly acknowledged, setting forth the principal of, and interest on, the Obligations, and stating whether, to Mortgagor's best knowledge, any off-sets or defenses exist against such principal and interest, and, if so, the particulars thereof, and any other matters requested by Mortgagees.

47. Indemnification.

(a) In addition to all other indemnities in favor of Mortgagees specifically provided in any of the Settlement Documents, Mortgagor shall indemnify Mortgagees and save Mortgagees harmless from and against any and all actual losses, liabilities, suits, obligations, fines, damages, penalties, claims costs, charges, and expenses, including, without limitation, reasonable architects', engineers', attorneys' and accountants' fees and all reasonable disbursements which are imposed upon, incurred or asserted against Mortgagees by reason of: (i) any capital improvements, renovations or other work or thing done in, on or about the Mortgaged Property or any part thereof, (ii) any use, non-use, misuse, possession, occupation, alteration, repair, condition, operation, maintenance or management of the Mortgaged Property or any part thereof or any street, drive, sidewalk, curb, passageway or space comprising a part thereof or adjacent thereto, (iii) any negligence on the part of either Mortgagor or its agents, contractors, servants, employees, licensees or invitees, (iv) any accident, injury (including death) or damage to any person or Mortgaged Property occurring in, on or about the Mortgaged Property or any part thereof or in, on or about any street, drive, sidewalk, curb, passageway or space adjacent thereof, (v) an Event of Default as hereinafter defined, (vi) any lien or claim which may be alleged to have arisen on or against the Mortgaged Property or any part thereof under the applicable laws of the local or state government or any other governmental or quasi-governmental authority or any liability asserted against Mortgagees with respect thereto, (vii) any tax attributable to the execution, delivery, filing or recording of this Mortgage, the Note, or any Settlement Documents, or (viii) any contest permitted pursuant to the provisions of this Mortgage; provided that Mortgagor shall have no obligation to indemnify or save Mortgagees harmless from any losses, liabilities, suits, obligations, fines,

damages, penalties, claims, costs, charges or expenses arising solely and directly from Mortgagees' willful misconduct or gross negligence.

(b) The obligations of Mortgagor under this Section 47 shall not in any way be affected by the absence in any case of covering insurance or by the failure or refusal of any insurance carrier to perform any obligation on its part under insurance policies affecting the Real Estate. If any claim, action or proceeding is made or brought against Mortgagees by reason of any event as to which Mortgagor is obligated to indemnify, then upon demand by Mortgagees, Mortgagor, at its sole cost and expense, shall resist or defend such claim, action or proceeding in Mortgagees' name, if necessary by the attorneys for Mortgagor's insurance carrier (if such claim, action or proceeding is covered by insurance), otherwise by such attorneys as Mortgagees shall approve in writing (which approval shall not be unreasonably withheld). Notwithstanding the foregoing, Mortgagees may engage their own attorneys in their reasonable discretion to defend it or to assist in their defense and Mortgagor shall pay the reasonable fees and disbursements of such attorneys.

48. Non-Waiver By Mortgagee. The failure of Mortgagees to insist upon strict performance of any term of this Mortgage shall not be deemed to be a waiver of any term of this Mortgage. Mortgagor shall not be relieved of its obligation to pay the Obligations, as and when due, by reason of Mortgagees' failure to comply with any request of Mortgagor to take any action to enforce any of the provisions of this Mortgage, the Note or any of the Settlement Documents. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien, encumbrance, right, title or interest in or to the Mortgaged Property, Mortgagees may release any person or entity at any time liable for the payment of the Obligations or any portion thereof or any part of the security held therefor, without in any manner impairing or affecting the Note, Settlement Documents or the lien thereof or the lien or priority of this Mortgage, as so extended and modified. Mortgagees may resort for the payment of the Obligations to any other security held by Mortgagees in such order and manner as Mortgagee, in their discretion, may elect. Mortgagees may take action to recover the Obligations, or any portion thereof, or to enforce any covenant of this Mortgage, without prejudice to the right of Mortgagees thereafter to foreclose this Mortgage.

49. Law and Venue. THIS MORTGAGE WAS NEGOTIATED IN PART IN THE STATE OF ILLINOIS, AND THE SETTLEMENT AMOUNT WAS MADE BY MORTGAGEES IN THE STATE OF ILLINOIS, AND THE PROCEEDS OF THE SETTLEMENT AMOUNT DELIVERED PURSUANT HERETO HAVE BEEN AND WILL BE DISBURSED FROM THE STATE OF ILLINOIS, AND THE MORTGAGED PROPERTY IS LOCATED IN THE STATE OF ILLINOIS, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS MORTGAGE SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (INCLUDING, WITHOUT LIMITATION, 735 ILCS SECTION 105/5-1 ET SEQ., BUT OTHERWISE WITHOUT REGARD TO THE CONFLICT OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS. NOTWITHSTANDING THE FOREGOING, THE PARTIES AGREE THAT:

(a) THE PROCEDURES GOVERNING THE ENFORCEMENT BY MORTGAGEES OF THE PROVISIONAL REMEDIES AGAINST THE MORTGAGED PROPERTY OR THE MORTGAGOR, INCLUDING BY WAY OF ILLUSTRATION BUT NOT LIMITATION, ACTIONS FOR REPLEVIN OR CLAIM AND DELIVERY OF THE MORTGAGED PROPERTY, FOR INJUNCTIVE RELIEF OR FOR THE APPOINTMENT OF A RECEIVER, OR FOR THE FORECLOSURE OF THIS MORTGAGE OR FOR THE ENFORCEMENT OF THE POWER OF SALE WITH RESPECT TO THE MORTGAGED PROPERTY SHALL BE GOVERNED BY THE LAWS OF THE STATE;

(b) TO THE EXTENT APPLICABLE TO THE MORTGAGED PROPERTY, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE (INCLUDING THE CHOICE OF LAW PROVISIONS THEREOF) SHALL GOVERN THE CREATION OF THE SECURITY INTERESTS WHICH ARE THE SUBJECT OF THIS MORTGAGE, THE PERFECTION, THE EFFECT OF PERFECTION OR NON-PERFECTION AND THE PRIORITY OF SUCH SECURITY INTERESTS, AND THE ENFORCEMENT THEREOF.

(c) NOTHING HEREIN IS INTENDED TO PRECLUDE MORTGAGEES FROM ENFORCING ANY OF THEIR RIGHTS UNDER THE SETTLEMENT DOCUMENTS, INCLUDING BUT NOT LIMITED TO, THEIR RIGHTS TO SUE MORTGAGOR OR ANY GUARANTOR TO COLLECT ANY OUTSTANDING OBLIGATIONS OR TO OBTAIN A JUDGMENT FOR ANY DEFICIENCY IN ACCORDANCE WITH ILLINOIS 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.

(d) WAIVER OF JURY TRIAL. MORTGAGOR AND MORTGAGEES EACH WAIVES ALL RIGHTS TO TRIAL BY JURY OF ANY SUITS, CLAIMS, COUNTERCLAIMS, AND ACTIONS OF ANY KIND ARISING UNDER OR RELATING TO THIS MORTGAGE. MORTGAGOR AND MORTGAGEES EACH ACKNOWLEDGE THAT THIS IS A WAIVER OF A LEGAL RIGHT AND REPRESENTS TO THE OTHER THAT THIS WAIVER IS MADE KNOWINGLY AND VOLUNTARILY. MORTGAGOR AND MORTGAGEES EACH AGREES THAT ALL SUCH SUITS, CLAIMS, COUNTERCLAIMS, AND ACTIONS SHALL BE TRIED BEFORE A JUDGE OF A COURT OF COMPETENT JURISDICTION, WITHOUT A JURY.

50. Jurisdiction.

(a) WITH RESPECT TO ANY LEGAL OR EQUITABLE SUIT, ACTION, CLAIM OR PROCEEDING ARISING OUT OF OR RELATING TO THIS MORTGAGE, MORTGAGOR (I) IRREVOCABLY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF ILLINOIS AND THE UNITED STATES DISTRICT COURT LOCATED IN CHICAGO, ILLINOIS, (II) AGREES THAT ALL SUCH SUITS, ACTIONS, CLAIMS OR PROCEEDINGS MAY BE HEARD AND DETERMINED IN SUCH COURTS OF THE STATE OF ILLINOIS OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT AND (III) IRREVOCABLY WAIVES ANY (A) OBJECTION WHICH MORTGAGOR MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY SUIT, ACTION, CLAIM OR PROCEEDING ARISING OUT OF OR RELATING TO THIS

MORTGAGE BROUGHT IN ANY SUCH COURT AND (B) ANY CLAIM THAT ANY SUCH SUIT, ACTION, CLAIM OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(b) MORTGAGOR HEREBY (I) AGREES THAT ANY LEGAL OR EQUITABLE SUIT, ACTION, CLAIM OR PROCEEDING BROUGHT BY MORTGAGOR AND/OR ANY AFFILIATE THEREOF AGAINST MORTGAGEES OR TRUSTEE ARISING OUT OF OR RELATING TO THE SETTLEMENT AMOUNT, THIS NOTE, OR ANY OF THE OTHER SETTLEMENT DOCUMENTS, INCLUDING THIS MORTGAGE MAY ONLY BE INSTITUTED BY MORTGAGOR OR SUCH AFFILIATE IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE (THE “**DELAWARE BANKRUPTCY COURT**”) AND, TO THE EXTENT THE DELAWARE BANKRUPTCY COURT LACKS JURISDICTION, THE COURTS OF THE STATE OF DELAWARE AND THE UNITED STATES DISTRICT COURT LOCATED IN WILMINGTON, DELAWARE (COLLECTIVELY, THE “**CHOSEN COURTS**”), AND (II) IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO BRING ANY SUCH SUIT, ACTION, CLAIM OR PROCEEDING AGAINST MORTGAGEES IN ANY OTHER COURT OR JURISDICTION.

(c) NOTHING IN THIS MORTGAGE WILL BE DEEMED TO PRECLUDE MORTGAGEES FROM BRINGING AN ACTION OR PROCEEDING WITH RESPECT HERETO IN THE STATE WHERE THE MORTGAGED PROPERTY IS LOCATED AND MORTGAGOR APPEARING IN AND DEFENDING SUCH ACTION OR PROCEEDING OR BRINGING A COMPULSORY COUNTERCLAIM IN SUCH SUIT, ACTION, CLAIM OR PROCEEDING.

51. Reconveyance. Within five (5) days of payment of the Obligations, Mortgagees shall provide Mortgagor with a release of this Mortgage in recordable form, and shall surrender this Mortgage and all notes and instruments evidencing the Obligations to Mortgagor.

52. Attorneys’ Fees. If any Event of Default occurs, Mortgagor shall pay all costs of enforcement and collection, including but not limited to, reasonable attorneys’ fees, whether or not such enforcement and collection includes the filing of a lawsuit. The provisions allowing for the recovery of post-judgment fees, costs and expenses are separate and several and shall survive the merger of the applicable Settlement Document into any judgment. For purposes of this Section 52, the term “attorneys” includes attorneys who are employees of Mortgagees acting as counsel for Mortgagees.

53. Illinois Mortgage Foreclosure Law. In the event that any provision in this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-1101 et seq. herein called the “Act”) the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act.

If any provision of this Mortgage shall grant to Mortgagees any rights or remedies upon default of Mortgagor which are more limited than the rights that would otherwise be vested in

Mortgagees under the Foreclosure Act in the absence of said provision, Mortgagees shall be vested with the rights granted in the Foreclosure Act to the full extent permitted by law.

Without limiting the generality of the foregoing, all expenses incurred by Mortgagees upon the occurrence and during the continuation of an Event of Default to the extent reimbursable under Sections 15-1510 and 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in this Mortgage, shall be added to the Obligations.

In addition to any provision of this Mortgage authorizing the Mortgagees to take or be placed in possession of the Property, or for the appointment of a receiver, Mortgagees shall have the right, in accordance with Sections 5/15-1701 and 5/15-1702 of the Foreclosure Act, to be placed in possession of the Property or, at their request, to have a receiver appointed, and such receiver, or Mortgagees, if and when placed in possession, shall have, in addition to any other powers provided in this Mortgage, all rights, powers, immunities and duties, as provided for in Sections 5/15-1701, 5/15-1702, 5/15-1703 and 5/15-1704 of the Foreclosure Act.

MORTGAGOR SHALL NOT AND WILL NOT APPLY FOR OR AVAIL ITSELF OF ANY APPRAISEMENT, VALUATION, STAY, EXTENSION OR EXEMPTION LAWS, OR ANY SO-CALLED "MORATORIUM LAWS," NOW EXISTING OR HEREAFTER ENACTED IN ORDER TO PREVENT OR HINDER THE ENFORCEMENT OR FORECLOSURE OF THIS MORTGAGE, BUT HEREBY WAIVES THE BENEFIT OF SUCH LAWS. MORTGAGOR FOR ITSELF AND ALL WHO MAY CLAIM THROUGH OR UNDER IT WAIVES ANY AND ALL RIGHT TO HAVE THE PROPERTY AND ESTATES COMPRISING THE PROPERTY MARSHALLED UPON ANY FORECLOSURE OF THE LIEN HEREOF AND AGREES THAT ANY COURT HAVING JURISDICTION TO FORECLOSE SUCH LIEN MAY ORDER THE PROPERTY SOLD AS AN ENTIRETY. IN THE EVENT OF ANY SALE MADE UNDER OR BY VIRTUE OF THIS MORTGAGE, THE WHOLE OF THE MORTGAGED PROPERTY MAY BE SOLD IN ONE PARCEL AS AN ENTIRETY OR IN SEPARATE LOTS OR PARCELS AT THE SAME OR DIFFERENT TIMES, ALL AS MORTGAGEES MAY DETERMINE. MORTGAGEES SHALL HAVE THE RIGHT TO BECOME THE PURCHASER AT ANY SALE MADE UNDER OR BY VIRTUE OF THIS MORTGAGE AND MORTGAGEES SHALL BE ENTITLED TO CREDIT BID THE INDEBTEDNESS OR ANY PORTION THEREOF IN MORTGAGEES' SOLE DISCRETION.

THE MORTGAGOR, ON ITS OWN BEHALF AND ON BEHALF OF EACH AND EVERY PERSON ACQUIRING ANY INTEREST IN OR TITLE TO THE PROPERTY SUBSEQUENT TO THE DATE OF THIS MORTGAGE, HEREBY IRREVOCABLY WAIVES PURSUANT TO 735 ILCS 5/15-1601 OF THE FORECLOSURE ACT ANY AND ALL RIGHTS OF REINSTATEMENT (INCLUDING, WITHOUT LIMITATION, ALL RIGHTS OF REINSTATEMENT PROVIDED FOR IN 735 ILCS 5/15-1602) AND REDEMPTION FROM SALE OR FROM OR UNDER ANY ORDER, JUDGMENT OR DECREE OF FORECLOSURE OF THIS MORTGAGE (INCLUDING, WITHOUT LIMITATION, ALL RIGHTS OF REDEMPTION PROVIDED FOR IN 735 ILCS 5/15-1603) OR UNDER ANY POWER CONTAINED HEREIN OR UNDER ANY SALE PURSUANT TO ANY STATUTE, ORDER, DECREE OR JUDGMENT OF ANY COURT.

Mortgagor acknowledges that the transaction of which this Mortgage is a part is a transaction which does not include either agricultural real estate (as defined in Section 15-1201 of the Act) or residential real estate (as defined in Section 15-1219 of the Act), and upon the occurrence and during the continuation of an Event of Default to the full extent permitted by law, hereby voluntarily and knowingly waives its rights to reinstatement and redemption to the extent allowed under Section 15-1601(b) of the Act, and to the full extent permitted by law, the benefits of all present and future valuation, appraisal, homestead, exemption, stay, redemption and moratorium laws under any state or federal law.

The following notice is provided pursuant to paragraph (3) of 815 ILCS 180/10: Unless the Mortgagor provides evidence of the insurance coverage required by the Settlement Documents, the Mortgagees may purchase such insurance at the Mortgagor's expense to protect the Mortgagees' interests in the Mortgagor's collateral. This insurance may, but need not, protect the Mortgagor's interests. The coverage that the Mortgagees purchase may not pay any claim that the Mortgagor may make or any claim that is made against the Mortgagor in connection with the collateral. The Mortgagor may later cancel any insurance purchased by the Mortgagees, but only after providing evidence that the Mortgagor has obtained insurance as required by the Settlement Documents. If the Mortgagees purchases insurance for the collateral, the Mortgagor will be responsible for the costs of that insurance, including the insurance premium, interest and any other charges that the Mortgagees may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Obligations of the Mortgagor. The costs of the insurance may be more than the cost of insurance that the Mortgagor may be able to obtain on the Mortgagor's own.

54. Mortgagees. This Mortgage and all rights, interests, powers and remedies of Mortgagees hereunder may be enforced by either Mortgagee on behalf, and for the benefit, of the other Mortgagee.

[The remainder of this page is intentionally left blank.]

EXHIBIT A

LEGAL DESCRIPTION

That real property situated in the County of Tazewell, in the State of Illinois, to wit:

Lot 1 of the Subdivision of the final plat of Morton Business Park, Section One, dated January 14, 1994, in the Village of Morton, Tazewell County, Illinois, as shown by the plat recorded in Plat Book "LL", page 2, in the office of the Tazewell County Recorder of Deeds.

Parcel ID: 06-06-1 7-200-024

Common Address: 140 W. Ashland St., Morton, IL 61550

Schedule A – List of Petersen Parties

1. Mark B. Petersen, an individual
2. Petersen Companies, LLC, an Illinois limited liability company
3. Petersen Hotels, LLC, an Illinois limited liability company
4. Plaza West Development, LLC, an Illinois limited liability company
5. Petersen Hospitality, LLC, a Delaware limited liability company
6. Candle Hospitality, LLC, an Illinois limited liability company
7. Twenty Four Corp, LLC, an Illinois limited liability company

Exhibit C

Parcel #	Owner	Property Name	Property Address
13-10-201-013	Petersen Companies LLC	Lot 4	N Orange Prairie Rd, Peoria IL 61615
13-10-201-014	Petersen Companies LLC	Lot 3	N Orange Prairie Rd, Peoria IL 61615
13-10-201-016	Petersen Companies LLC	Lot 9	N Orange Prairie Rd, Peoria IL 61615
13-02-351-003	Petersen Companies LLC	Northlake	W Sienna Lane, Peoria, IL 61615
13-11-201-006	Petersen Companies LLC	Retail Lots	N Route 91, Peoria, IL 61615
13-11-203-002	Petersen Companies LLC	Torchia	N Route 91, Peoria, IL 61615
06-06-17-200-024	Petersen Companies LLC	Holiday Inn Express & Suites	140 East Ashland St. Morton IL 61550

Exhibit D

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

SC HEALTHCARE HOLDING, LLC, *et al.*,Debtors.¹

Chapter 11

Case No. 24-10443 (TMH)

Jointly Administered

CONSENT JUDGMENT

On August 7, 2025, SC Healthcare Holding, LLC and its affiliated debtors and debtors in possession (collectively, the “Debtors”) in the jointly administered chapter 11 cases pending in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) under Case No. 24-10443 (TMH) (the “Chapter 11 Cases”), the Official Committee of Unsecured Creditors appointed in the Chapter 11 Cases (the “Committee”), Mark B. Petersen (“Mr. Petersen”), Petersen Hotels, LLC (“Petersen Hotels”), Petersen Hospitality, LLC (“Petersen Hospitality”), Plaza West Development, LLC (“Plaza West Development”), Petersen Companies, LLC (“Petersen Companies”), Candle Hospitality, LLC (“Candle Hospitality”), and Twenty Four Corp, LLC (“Twenty Four Corp.,” and together with Mr. Petersen, Petersen Hotels, Petersen Hospitality, Plaza West Development, Petersen Companies and Candle Hospitality, the “Petersen Parties”)² agreed and hereby stipulate and agree to entry of this Consent Judgment in favor of David R. Campbell, solely in his capacity as the Plan Administrator (the “Plan Administrator”) appointed to carry out the terms of the *Debtors’ Combined Disclosure Statement and Chapter 11 Plan of Liquidation*

¹ The last four digits of SC Healthcare Holding, LLC’s tax identification number are 2584. The mailing address for SC Healthcare Holding, LLC is c/o Petersen Health Care Management, LLC 830 West Trailcreek Dr., Peoria, IL 61614. Due to the large number of debtors in these Chapter 11 Cases, for which the Debtors have requested joint administration, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information will be made available on a website of the Debtors’ proposed claims and noticing agent at www.kccllc.net/Petersen.

² The parties to this Consent Judgment are collectively referred to herein as the “Parties.”

[Docket No. 1678-1] (as amended, modified, or otherwise supplemented, the “Plan”), on behalf of the Debtors’ estates, and Daniel Dooley, solely in his capacity as the Liquidating Trustee (the “Liquidating Trustee”) appointed to administer the Liquidating Trust (the “Liquidating Trust”) in accordance with the Plan, on behalf of the Liquidating Trust, and against the Petersen Parties, jointly and severally, as follows:

A. On March 20, 2024, the Debtors filed their Chapter 11 Cases by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*, in the Bankruptcy Court.

B. On August 7, 2025, the Parties executed a binding term sheet (the “Settlement Agreement”) and related definitive documentation for the purpose of resolving, among other things: (i) *Mark B. Petersen’s Motion for Allowance of Administrative Claim* [Docket No. 980]; (ii) *Mark B. Petersen’s Motion for an Order Dismissing the Chapter 11 Cases of Debtors War Drive, LLC, and Knoxville & Pennsylvania, LLC, Under Sections 305(a) and 1112(b) of the Bankruptcy Code* [Docket No. 989]; (iii) Mr. Petersen’s and the Committee’s respective objections to confirmation of the Plan [Docket Nos. 1635 and 1636]; and (iv) the estate claims and causes of action and rights of recovery against the Petersen Parties asserted or that may be asserted by the Committee, the Debtors, or the Liquidating Trustee, on behalf of the Liquidating Trust.

C. Among other things, pursuant to the Settlement Agreement, the Petersen Parties executed a secured promissory note (the “Note”) in the principal sum of Six Million Seven Hundred Thousand and 00/100 Dollars (\$6,700,00.00) in favor of the Plan Administrator and the Liquidating Trust. The Note must be paid in full on or before December 7, 2025.

D. The Settlement Agreement was approved by the Bankruptcy Court’s order confirming the Plan (the “Confirmation Order”) [Docket No. 1678-1, Ex. E]. The Settlement

Agreement, including without limitation, all related definitive documentation, were approved by the Bankruptcy Court under Rule 9019 of the Federal Rules of Bankruptcy Procedure in connection with confirmation of the Plan and pursuant to the Confirmation Order.

E. In the Settlement Agreement, the Petersen Parties agreed that upon the occurrence of an Event of Default (as defined in the Settlement Agreement) and at any time thereafter, the Plan Administrator, on behalf of the Debtors' estates, and/or the Liquidating Trustee, on behalf of the Liquidating Trust, shall each be entitled to file and obtain immediate entry of this Consent Judgment in the Bankruptcy Court and to enforce all rights thereunder without further notice, hearing, or opportunity for the Petersen Parties to contest or delay entry and enforcement of this Consent Judgment, including without limitation, domestication of the Consent Judgment in any and all states, including without limitation, in the State of Illinois.

F. The Petersen Parties waived and hereby further waive any stay of execution or enforcement of the Consent Judgment under the Federal Rules of Bankruptcy Procedure, the Federal Rules of Civil Procedure, or otherwise. Accordingly, the Plan Administrator and the Liquidating Trustee shall each be entitled to immediately enforce and take any and all steps to enforce the Consent Judgment immediately upon its entry by the Bankruptcy Court.

G. The Petersen Parties voluntarily, irrevocably, and unconditionally submitted and consented, and hereby further submit and consent, to the jurisdiction of the Bankruptcy Court and to the entry of this Consent Judgment against them by the Bankruptcy Court. The Petersen Entities further consented to and hereby consent to this Consent Judgment becoming final, conclusive, and non-appealable upon entry by the Bankruptcy Court, expressly waiving any right to seek reconsideration, appeal, or relief from judgment.

H. The Petersen Parties have failed to satisfy all their obligations under the Settlement Agreement and, as a result thereof, an Event of Default has occurred and is continuing under the Settlement Agreement, and therefore, Plan Administrator and/or the Liquidating Trustee are each entitled to immediate entry of this Consent Judgement by this Bankruptcy Court.

**THEREFORE, BASED ON THE FOREGOING STIPULATIONS, THE COURT
HEREBY FINDS AND ORDERS THAT:**

1. As of the date of the entry of this Consent Judgement, the following amounts are due and owing under the Note: the principal amount of SIX MILLION SEVEN HUNDRED THOUSAND AND 00/100 DOLLARS (\$6,700,000.00) minus \$_____ in payments made under the Note, if any, plus \$_____ in interest, plus \$_____ in legal fees, plus \$_____ in costs, for the total of \$_____.

2. A judgment is entered in favor of the Plan Administrator, on behalf of the Debtors' estates and the Liquidating Trustee, on behalf of the Liquidating Trust, and against Mark. B. Petersen, Petersen Hotels, LLC, Petersen Hospitality, LLC, Plaza West Development, LLC, Candle Hospitality, LLC, and Twenty Four Corp, LLC, jointly and severally, in the total amount of \$_____, plus post-judgment interest which shall accrue at the legal rate until satisfied in full.

3. This Consent Judgment is final and subject to immediate enforcement.

4. The Plan Administrator, on behalf of the Debtors' estates, and/or the Liquidating Trustee, on behalf of the Liquidating Trust, shall each be entitled to take any and all steps to enforce this Consent Judgment immediately upon its entry by this Bankruptcy Court.

SO ORDERED this _____ day of _____, 20____.

United States Bankruptcy Judge

ACKNOWLEDGED, AGREED, AND CONSENTED TO IN FORM AND SUBSTANCE BY:

GREENBERG TRAURIG, LLP

By: /s/ Nancy A. Peterman

Anthony W. Clark (DE Bar No. 2051)
Dennis A. Meloro (DE Bar No. 4435)
222 Delaware Avenue, Suite 1600
Wilmington, Delaware 19801
Telephone: (302) 661-7000
anthony.clark@gtlaw.com
melorod@gtlaw.com

– and –

Nancy A. Peterman (admitted *pro hac vice*)
Danny Duerdoth (admitted *pro hac vice*)
360 North Green Street, Suite 1300
Chicago, IL 60607
Telephone: (312) 456-8400
petermann@gtlaw.com
duerdothd@gtlaw.com

***Counsel to the Official Committee
of Unsecured Creditors***

SAUL EWING LLP

By: /s/ Barry A. Chatz

John D. Demmy (DE Bar No. 2802)
Paige N. Topper (DE Bar No. 6470)
1201 N. Market Street, Suite 2300
Wilmington, DE 19899
Telephone: (302) 421-6800
Emails: john.demmy@saul.com
paige.topper@saul.com

– and –

Barry A. Chatz (admitted *pro hac vice*)
161 North Clark Street, Suite 4200
Chicago, IL 60601
Telephone: (312) 876-7100
Email: barry.chatz@saul.com

Counsel for the Petersen Parties

WINSTON & STRAWN LLP

By: /s/ Daniel J. McGuire

Daniel J. McGuire (admitted *pro hac vice*)
Gregory M. Gartland (admitted *pro hac vice*)
35 W. Wacker Drive
Chicago, IL 60601
Telephone: (312) 558-5600
Facsimile: (312) 558-5700
Email: dm McGuire@winston.com
Email: ggartland@winston.com

– and –

Carrie V. Hardman (admitted *pro hac vice*)
200 Park Avenue
New York, New York 10166
Telephone: (212) 294-6700
Facsimile: (212) 294-4700
Email: chardman@winston.com

***Co-Counsel for the Debtors and Debtors in
Possession***

[Signatures Continue on Following Page]

MARK B. PETERSEN, INDIVIDUALLY

By: _____
Mark B. Petersen

PETERSEN COMPANIES, LLC

By: _____
Name: Mark B. Petersen
Title:

PETERSEN HOTELS, LLC

By: _____
Name: Mark B. Petersen
Title:

PLAZA WEST DEVELOPMENT, LLC

By: _____
Name: Mark B. Petersen
Title:

PETERSEN HOSPITALITY, LLC,

By: _____
Name: Mark B. Petersen
Title:

CANDLE HOSPITALITY, LLC

By: _____
Name: Mark B. Petersen
Title:

TWENTY FOUR CORP, LLC

By: _____
Name: Mark B. Petersen
Title: