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Cook County Recorder of Deeds  
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## MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING

made by

SHOAIB AFTAB and MOHAMMAD ALI,

as mortgagors,

to

Broadway Bank,

an Illinois banking corporation,

as mortgagee

Address of Real Estate:

1734 W. Balmoral Avenue, Chicago, Illinois

Tax I.D. Number(s) for Real Estate: 14-07-208-022-0000

Prepared by, and when recorded, mail to:

Gary Scott Saipe, Esq.  
Boodell Domanskis & Saipe, LLC  
Suite 4307  
205 N. Michigan Avenue  
Chicago, Illinois 60601

by SA 838 7129 D2 3 of 5

34 pages

**UNOFFICIAL COPY****MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING**

THIS MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING (this "Mortgage") is made as of April 13, 2005, by SHOAIB AFTAB and MOHAMMAD ALI (herein, together with their respective heirs, personal representatives, successors and assigns, whether one or more, and if more than one, jointly and severally, called "Mortgagor"), whose address is Suite 201, 6355 N. Cleveland, Chicago, Illinois 60659, to BROADWAY BANK, an Illinois banking corporation (herein, together with its successors and assigns, called "Mortgagee"), whose address is 5960 N. Broadway, Chicago, Illinois 60660.

**WITNESSETH:**

**WHEREAS**, concurrently herewith, Mortgagor and Mortgagee have executed that certain Purchase and Resale Agreement (Third-Party Seller)(Sharia), dated as of the date hereof [said Purchase and Resale Agreement (Third-Party Seller)(Sharia), as same may be at any time and from time to time modified or amended, being herein called the "PR Agreement"], providing for, among other things, the payment by Mortgagor to Mortgagee of a resale price (the "Resale Price") in the amount of Five Hundred Thousand and 00/100 Dollars (\$500,000.00), together with certain Profit (as defined in the PR Agreement), upon the terms and conditions set forth in the PR Agreement; and

**WHEREAS**, the PR Agreement requires, among other things, that Mortgagor execute and deliver this Mortgage encumbering the Premises (as hereinafter defined) as security for the Resale Price and the Profit; and

**WHEREAS**, the Resale Price and the Profit and any and all other sums which may at any time be due or owing or required to be paid as provided for herein or in the PR Agreement are herein called the "Indebtedness Hereby Secured";

**NOW, THEREFORE, THIS MORTGAGE WITNESSETH THAT:**

To secure the payment of the Resale Price, the Profit and all other Indebtedness Hereby Secured and the performance and observance of all the covenants, provisions and agreements herein and in the PR Agreement contained (whether or not Mortgagor is personally liable for such payment, performance and observance), and in consideration of the premises and ten dollars (\$10.00) in hand paid by Mortgagee to Mortgagor, and for other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged by Mortgagor, Mortgagor does hereby MORTGAGE, GRANT, ASSIGN, REMISE, RELEASE, WARRANT, ALIEN AND CONVEY to Mortgagee, and grants a security interest to Mortgagee in, all and sundry rights, interests and property hereinafter described (all herein together called the "Premises"):

(a) All of the real estate (the "Real Estate"), situated in the County of Cook, State of Illinois, legally described in Exhibit A attached hereto and by this reference incorporated herein and made a part hereof;

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(b) All buildings and other improvements now or at any time hereafter constructed or erected upon or located at the Real Estate, together with and including, but not limited to, all fixtures, equipment, machinery, appliances and other articles and attachments now or hereafter forming part of, attached to or incorporated in any such buildings or improvements (all herein generally called the "Improvements");

(c) All privileges, reservations, allowances, hereditaments, tenements and appurtenances now or hereafter belonging or pertaining to the Real Estate or the Improvements, and all rights and estates in reversion or remainder, and all other interests, estates or other claims, both in law and in equity, which Mortgagor now has or may hereafter acquire in the Real Estate or Improvements;

(d) All leasehold estates, right, title and interest of Mortgagor in any and all leases, subleases, arrangements or agreements relating to the use and occupancy of the Real Estate and Improvements or any portion thereof, now or hereafter existing or entered into (all herein generally called "Leases"), together with all cash or security deposits, advance rentals and other deposits or payments of similar nature given in connection with any Leases;

(e) All rents, issues, profits, royalties, income, avails and other benefits now or hereafter derived from the Real Estate and Improvements, under Leases or otherwise (all herein generally called "Rents"), subject to the right, power and authority given to Mortgagor in the Assignment hereinafter referred to, to collect and apply the Rents;

(f) All right, title and interest of Mortgagor in and to all options to purchase or lease the Real Estate or Improvements, or any portion thereof or interest therein, or any other rights, interests or greater estates in the rights and properties comprising the Premises, now owned or hereafter acquired by Mortgagor;

(g) Any interests, estates or other claims, both in law and in equity, which Mortgagor now has or may hereafter acquire in the Real Estate and Improvements or other rights, interests or properties comprising the Premises, now owned or hereafter acquired;

(h) All right, title and interest of Mortgagor now owned or hereafter acquired in and to (i) any land or vaults lying within the right-of-way of any street or alley, open or proposed, adjoining the Real Estate; (ii) any and all alleys, sidewalks, strips and gores of land adjacent to or used in connection with the Real Estate and Improvements; (iii) any and all rights and interests of every name or nature forming part of or used in connection with the Real Estate and/or the operation and maintenance of the Improvements; (iv) all easements, rights-of-way and rights used in connection with the Real Estate or Improvements or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto; (v) all water rights and shares of stock evidencing the same; and (vi) all mineral rights;

(i) All right, title and interest of Mortgagor in and to all tangible personal property ("Personal Property") owned by Mortgagor and now or at any time hereafter located in, on or at

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the Real Estate or Improvements or used or useful in connection therewith (whether or not affixed thereto), including, but not limited to, the following:

(i) All furniture, furnishings and equipment furnished by Mortgagor to tenants of the Real Estate or Improvements;

(ii) All building materials and equipment located upon the Real Estate and intended to be incorporated in the Improvements now or hereafter to be constructed on the Real Estate, whether or not yet incorporated in such Improvements;

(iii) All machines, machinery, fixtures, apparatus, equipment or articles used in supplying heating, gas, electricity, air-conditioning, water, light, power, sprinkler protection, waste removal, refrigeration and ventilation, and all fire sprinklers, alarm systems, electronic monitoring equipment and devices, and all equipment and devices relating to cable television, computer and internet services;

(iv) All window or structural cleaning rigs, maintenance equipment and equipment relating to exclusion of vermin or insects and removal of dust, dirt, debris, refuse or garbage;

(v) All lobby and other indoor and outdoor furniture, including tables, chairs, planters, desks, sofas, shelves, lockers and cabinets, wall beds, wall safes, and other furnishings;

(vi) All rugs, carpets and other floor coverings, draperies, drapery rods and brackets, awnings, window shades, venetian blinds and curtains;

(vii) All lamps, chandeliers and other lighting fixtures;

(viii) All recreational equipment and materials;

(ix) All office furniture, equipment and supplies;

(x) All kitchen equipment, including, without limitation, refrigerators, ovens, dishwashers, range hoods and exhaust systems and disposal units;

(xi) All laundry equipment, including, without limitation, washers and dryers;

(xii) All tractors, mowers, sweepers, snow removal equipment and other equipment used in the maintenance of exterior portions of the Real Estate and Improvements; and

(xiii) All maintenance supplies and inventories;

provided that the enumeration of any specific articles of Personal Property set forth above shall in no way exclude or be held to exclude any items of property not specifically enumerated; but provided that there shall be excluded from and not included within the term "Personal Property"

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as used herein and hereby mortgaged and conveyed, any equipment, trade fixtures, furniture, furnishings or other property of tenants of the Premises;

(j) All the estate, right, title or other claim or demand which Mortgagor now has or may hereafter have or acquire with respect to (i) the proceeds of insurance in effect with respect to the Premises, and (ii) any and all awards, claims for damages and other compensation made for or consequent upon the taking by condemnation, eminent domain or any like proceeding, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Premises, including, without limitation, any awards and compensation resulting from a change of grade of streets and awards and compensation for severance damages (all herein generally called "Awards");

(k) All agreements, contracts, subcontracts, service contracts, maintenance contracts, certificates, instruments, franchises, permits, approvals, authorizations, licenses, plans and specifications and other agreements now or hereafter entered into, and all amendments, modifications, supplements and addenda thereto, and all rights therein and thereto, respecting or pertaining to the construction, use, occupation, management or operation of the Premises or any part thereof;

(l) All patents, copyrights and trademarks, and all applications for and registrations of the foregoing, along with any and all divisions, renewals or reissues thereof, and variations or modifications and new applications of the technology covered thereby, all contract rights, franchise rights, option rights trade names, art work, purchase contracts, goodwill, beneficial interests, rights to tax refunds, claims, warranties, guarantees, claims against any supplier of any inventory, including claims arising out of purchases of defective goods or overpayments to or undershipments by suppliers, any claims which Mortgagor may have against any vendor or lessor of equipment or inventory and all other general intangibles of any kind or nature;

(m) All rights, if any, of Mortgagor as developer, declarant or similar designation under any condominium document, annexation agreement, homeowners declaration or similar document relating to the Premises or any part thereof;

(n) All accounts, accounts receivable, chattel paper, contract rights, letters of credit, notes, instruments rights to receive capital contributions or subscriptions from Mortgagor's members, managers, partners or shareholders, accounts payable on account of the sale of partnership or membership interests in Mortgagor, any guarantor or related affiliates, and documents, which shall include, without limitation, amounts due or to become due in the future, and all principals, interest and payments due on account of goods sold or leased, services rendered, loans made or credit extended, together with title to or interest in all agreements, documents and instructions, evidencing, securing or guarantying the same by Mortgagor;

(o) All monies, reserves, deposits, security deposits from tenants of the Premises, certificates of deposit, letters of credit, and deposit accounts, escrows, deposits to secure performance of an obligation (including without limitation, funds deposited with any governmental authority to secure Mortgagor's obligation to make required improvements to the Premises and interest or dividends thereon), securities, cash, cash equivalents and other property

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now or at any time or times hereafter in the possession or under the control of Mortgagee or its bailee, and all other escrow accounts and cash collateral accounts;

(p) All books, records, computer records, ledger cards, programs and other computer materials, customer and supplier lists, invoices, orders and other property and general intangibles at any time evidencing or relating to the Collateral;

(q) [Intentionally Deleted]; and

(r) All proceeds and products of the foregoing;

**TO HAVE AND TO HOLD** all and sundry the Premises hereby mortgaged and conveyed or intended so to be, together with the rents, issues and profits thereof, unto Mortgagee forever, free from all rights and benefits under and by virtue of the homestead exemption laws of the state in which the Premises are located (which rights and benefits are hereby expressly released and waived), for the uses and purposes herein set forth, together with all right to retain possession of the Premises after any default in the payment of all or any part of the Indebtedness Hereby Secured, or the breach of any covenant or agreement herein contained, or upon the occurrence of any Event of Default as hereinafter defined;

## FOR THE PURPOSE OF SECURING:

(a) Payment of the Resale Price, the Profit and all other Indebtedness Hereby Secured;

(b) Performance and observance by Mortgagor of all the terms, provisions, covenants and agreements on Mortgagor's part to be performed and observed under and pursuant to this Mortgage;

(c) Performance and observance by Mortgagor of all the terms, provisions, covenants and agreements on Mortgagor's part to be performed and observed under and pursuant to the Assignment;

(d) Payment and performance by Mortgagor of all of the terms, provisions, covenants and agreements on Mortgagor's part, to be performed and observed under and pursuant to the PR Agreement;

(e) [Intentionally Deleted];

(f) [Intentionally Deleted]; and

(g) Payment of all sums advanced by Mortgagee to perform any of the covenants and agreements of Mortgagor hereunder, or otherwise advanced by Mortgagee pursuant to the provisions hereof or any other document securing the payment of the Indebtedness Hereby Secured, it being intended and agreed that all such sums with interest thereon shall be for all purposes hereof deemed so much additional Indebtedness Hereby Secured (the PR Agreement,

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this Mortgage, the Assignment, and all other instruments evidencing or securing the Indebtedness Hereby Secured being herein together called the "Bank Documents");

FURTHER PROVIDED, NEVERTHELESS, and these presents are on the express condition that, if all the Indebtedness Hereby Secured shall be duly and punctually paid, and if all of the terms, provisions, covenants and agreements herein and in the other Bank Documents contained on the part of Mortgagor to be performed and observed shall be strictly performed and observed, then, and in that event only, this Mortgage and the estate, right and interest of Mortgagee in the Premises shall, except to the extent expressly provided herein that same shall survive the release of this Mortgage, cease and become void and of no effect, and shall be released by Mortgagee at Mortgagor's sole cost and expense.

AND IT IS FURTHER AGREED THAT:

1. Payment of Indebtedness; Performance of Obligations; Warranty and Covenant of Title. Mortgagor (a) will duly and promptly pay the Resale Price, the Profit and all other Indebtedness Hereby Secured as and when same shall become due and payable, (b) will duly perform and observe all of the covenants, agreements and provisions herein or in the PR Agreement or in the other Bank Documents provided on the part of Mortgagor to be performed and observed, (c) represents, warrants and covenants that Mortgagor is the holder of fee simple title to the Premises, (d) represents, warrants and covenants that Mortgagor has legal power and authority to mortgage and convey the Premises, and (e) will warrant and defend specially the title to the Premises against all claims and demands.

2. Maintenance, Repair, Restoration, Prior Liens, Parking, Laws, Etc. Mortgagor will (a) promptly repair, restore or rebuild any Improvements now or hereafter on the Real Estate or constituting part of the Premises that may become damaged or be destroyed, whether or not proceeds of insurance are available or sufficient for the purpose; (b) keep the Premises in good condition and repair, without waste, and free from mechanics', materialmen's or like liens or claims or other liens or claims for lien not expressly subordinated to the lien hereof; (c) pay when due any indebtedness which may be secured by a lien or charge on the Premises on a parity with or superior or inferior to the lien hereof, and, upon request, exhibit to Mortgagee satisfactory evidence of the discharge of such lien; (d) complete, within a reasonable time, any Improvements now or at any time in the process of erection upon the Real Estate; (e) comply with all requirements of law, municipal ordinance or restrictions of record with respect to the Premises and the use thereof; (f) make or permit no material alterations in the Premises except as required by law or ordinance; (g) suffer or permit no change in the general nature of the occupancy of the Premises without the prior written consent of Mortgagee; (h) pay when due all operating costs of the Premises; (i) initiate or acquiesce in no zoning reclassification with respect to the Premises without the prior written consent of Mortgagee; (j) suffer or permit no unlawful use of, or nuisance to exist upon, the Premises; (k) provide, improve, grade, surface and thereafter maintain, clean, repair, mark, stripe, police and adequately light parking areas within the Premises of sufficient size to accommodate not less than the number of standard-sized American-made automobiles as may be required by law, ordinance or regulation, together with any sidewalks, aisles, streets, driveways and sidewalks cuts and sufficient paved areas for ingress,

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egress and right-of-way to and from the adjacent public thoroughfares necessary or desirable for the use thereof; and reserve and use all such parking areas solely and exclusively for the purpose of providing ingress, egress and parking facilities for automobiles and other passenger vehicles of Mortgagor and tenants of the Premises and their invitees and licensees; and not reduce, build upon, obstruct, redesignate or relocate any such parking areas, sidewalks, aisles, streets, driveways, sidewalk cuts or paved areas or rights-of-way, or lease or grant any rights to use the same to any other person except tenants and invitees of tenants of the Premises, without the prior written consent of Mortgagee; (l) cause the Premises at all times to be operated in compliance with all federal, state, local and municipal environmental, health and safety laws, statutes, ordinances, rules and regulations (herein called "Environmental Regulations"), so that no cleanup, claim or other obligation or responsibility arises from a violation of any such Environmental Regulations; (m) from time to time, at the direction of Mortgagee, obtain and furnish to Mortgagee, at Mortgagor's expense, an environmental audit or survey from an expert satisfactory to Mortgagee with respect to the Premises; (n) comply and cause the Premises to comply with all requirements and recommendations relating to compliance with Environmental Regulations, and comply and cause the Premises to comply with the recommendations set forth in any environmental audit or survey with respect to the Premises, whether made or obtained by or at the request or direction of Mortgagee, Mortgagor or any federal, state or local governmental authority or agency, or otherwise; and (o) suffer or permit no reliance on the Premises by any building or improvement not subject to the lien of this Mortgage to fulfill any municipal or governmental requirement.

3. Taxes. Mortgagor will pay when due, and before any penalty attaches, all general and special taxes, assessments, water charges, sewer charges and other fees, taxes, charges and assessments of every kind and nature whatsoever (all herein generally called "Taxes"), whether or not assessed or levied against Mortgagor, the Premises or any interest therein, or the Indebtedness Hereby Secured, or any obligation or agreement secured hereby; and Mortgagor will, upon written request of Mortgagee, furnish to Mortgagee duplicate receipts therefor; provided that, (a) in the event that any law or court decree has the effect of deducting from the value of land for the purposes of taxation any lien thereon, or imposing upon Mortgagee the payment in whole or any part of the Taxes or liens required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the interest of Mortgagee in the Premises or the manner of collection of Taxes, so as to affect this Mortgage or the Indebtedness Hereby Secured or the holder thereof, then, and in any such event, Mortgagor, upon demand by Mortgagee, will pay such Taxes, or reimburse Mortgagee therefor; and (b) nothing in this Section 3 contained shall require Mortgagor to pay any income, franchise or excise tax imposed upon Mortgagee, excepting only such which may be levied against such income expressly as and for a specific substitute for Taxes on the Premises, and then only in an amount computed as if Mortgagee derived no income from any source other than its interest hereunder.

4. Insurance Coverage. Mortgagor will insure and keep insured the Premises and each and every part and parcel thereof against such perils and hazards as Mortgagee may from time to time require, and, in any event, including the following:



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- (a) Insurance against loss or damage to the Improvements and Personal Property caused by fire, lightning and risks covered by the so-called "Extended Coverage" endorsement, together with "vandalism and malicious mischief" and "sprinkler leakage" endorsements, or by so-called "all perils" endorsement, and such other risks as Mortgagee may reasonably require, in amounts (but in no event less than the amount of Resale Price) equal to the full replacement value of the Improvements and Personal Property, plus the cost of debris removal, with full replacement cost endorsement, "agreed amount" endorsement and "contingent liability from operations of building laws" endorsement;
- (b) Comprehensive general public liability insurance against bodily injury and property damage in any way arising with respect to the Premises, with such limits as Mortgagee may reasonably require and in any event not less than \$1,000,000 single limit coverage;
- (c) Rent and rental value insurance (or, at the discretion of Mortgagee, business interruption insurance) in amounts sufficient to pay during any period of up to one year in which the Improvements may be damaged or destroyed, (i) all projected annual rents derived from the Premises, and (ii) all amounts (including but not limited to all taxes, assessments, utility charges, operating expenses, and insurance premiums) required herein to be paid by Mortgagor or by tenants of the Premises;
- (d) Broad form boiler and machinery insurance on all equipment and objects customarily covered by such insurance (if any thereof are located at the Premises), providing for full repair and replacement cost coverage;
- (e) During the construction of any Improvements on the Real Estate or the making of any alterations to the Premises, (i) builders completed value risk insurance against "all risks of physical loss" including collapse and transit coverage during such construction in non-reporting form, covering the total value of work performed and equipment, supplies and materials furnished, containing "permission to occupy upon completion" endorsement; (ii) insurance covering claims based on the owner's contingent liability not covered by the insurance required under subparagraph 4(b) above; and (iii) employer's liability and worker's compensation insurance covering all persons engaged in constructing such Improvements or making such alterations;
- (f) Federal Flood Insurance in the maximum obtainable amount up to the initial stated principal amount of the Note, if the Premises is in a "flood plain area" as defined by the Federal Insurance Administration pursuant to the Federal Flood Disaster Protection Act of 1973, as amended;
- (g) If any part of the Premises is now or hereafter used for the sale or dispensing of beer, wine, spirits or any other alcoholic beverages, so-called "dram shop" or "innkeeper's liability" insurance against claims or liability arising directly or indirectly to persons or property on account of such sale or dispensing of beer, wine, spirits or other alcoholic beverages, including, in such coverage, loss of means of support, all in amounts as may be

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required by law or as Mortgagee may specify, but in no event less than \$5,000,000 single limit coverage;

(h) Earthquake insurance, in an amount equal to the full replacement cost of the Premises plus the cost of debris removal, with full replacement cost endorsement, "agreed amount" endorsement and "contingent liability from operations of building laws" endorsement;

(i) Such other insurance of the types and in amounts as Mortgagee may require, but in any event not less than the types and coverages of insurance customarily carried by persons owning and operating like properties;

and Mortgagor, at its own expense, shall furnish such insurance appraisals as may be required by Mortgagee from time to time (and in any event not less often than once every year) to ascertain the full replacement cost of the Improvements for the purposes of Subsection (a) above.

5. Insurance Policies. All policies of insurance to be maintained and provided as required by Section 4 hereof shall:

(a) Be in forms, companies and amounts reasonably satisfactory to Mortgagee, in its sole and absolute discretion; and all policies of casualty insurance shall have attached thereto mortgagee clauses or endorsements in favor of, and with loss payable to, and in form satisfactory to, Mortgagee, in its sole and absolute discretion;

(b) Contain endorsements that no act or negligence of the insured or any occupant, and no occupancy or use of the Premises for purposes more hazardous than permitted by the terms of the policies, will affect the validity or enforceability of such policies as against Mortgagee;

(c) Be written in amounts sufficient to prevent Mortgagor from becoming a co-insurer;

(d) Provide for thirty (30) days' prior written notice to Mortgagee of cancellation or amendment;

(e) Contain no deductible in excess of \$5,000;

(f) Provide that any waiver of the insured's subrogation rights shall not void coverage;

and Mortgagor will deliver all policies, including additional and renewal policies, to Mortgagee, and in case of insurance policies about to expire, Mortgagor will deliver renewal policies, not less than thirty (30) days prior to the respective dates of expiration.

6. Deposits for Taxes and Insurance Premiums. In order to assure the payment of Taxes and insurance premiums payable with respect to the Premises as and when the same shall become due and payable:

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(a) Mortgagor shall deposit with Mortgagee on the first day of each and every calendar month an amount equal to:

(i) One-Twelfth (1/12) of the Taxes next to become due upon the Premises; provided that, at the time of the execution of the PR Agreement, there shall be deposited, in addition, an amount as estimated by Mortgagee that, when added to monthly deposits to be made thereafter as provided for herein, shall assure to Mortgagee's satisfaction, in its sole and absolute discretion, that there will be sufficient funds on deposit to pay Taxes as they come due; plus

(ii) One-Twelfth (1/12) of the annual premiums on each policy of insurance upon the Premises; provided that, at the time of the execution of the PR Agreement, there shall be deposited, in addition, an amount equal to one-twelfth (1/12) of such annual insurance premiums multiplied by the number of months elapsed between the date premiums on each policy were last paid to and including the date of the execution of the PR Agreement; provided, that the amount of such deposits (herein generally called "Tax and Insurance Deposits") shall be based upon Mortgagee's estimate, in its sole and absolute discretion, as to the amount of Taxes and premiums of insurance next to be payable.

(b) The aggregate of the monthly Tax and Insurance Deposits, together with monthly payments payable with respect to the PR Agreement, shall be paid in a single payment each month, to be applied to the following items in the order stated:

- (i) Taxes and insurance premiums;
- (ii) Indebtedness Hereby Secured other than payments due with respect to the PR Agreement;
- (iii) Payments on the PR Agreement,

(c) Mortgagee will, out of the Tax and Insurance Deposits, upon the presentation to Mortgagee by Mortgagor of the bills therefor, pay the insurance premiums and Taxes, or will, upon presentation of receipted bills therefor, reimburse Mortgagor for such payments made by Mortgagor; provided that: (i) if the total Tax and Insurance Deposits on hand shall not be sufficient to pay all of the Taxes and insurance premiums when the same shall become due, then Mortgagor shall pay to Mortgagee on demand any amount necessary to make up the deficiency; and (ii) if the total of such Tax and Insurance Deposits exceeds the amount required to pay the Taxes and insurance premiums, such excess shall be credited on subsequent payments to be made for such items.

(d) Upon the occurrence of a default under this Mortgage, under the PR Agreement or in any of the other Bank Documents, Mortgagee may, at its option, without being required so to do, apply any Tax and Insurance Deposits on hand to any of the Indebtedness Hereby Secured, in such order and manner as Mortgagee may elect, and in such case Mortgagor

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will replenish any Tax and Insurance Deposits so applied within five days after Mortgagee's demand.

(e) All Tax and Insurance Deposits are hereby pledged as additional security for the Indebtedness Hereby Secured, and shall be held in trust to be irrevocably applied for the purposes for which made as herein provided, and shall not be subject to the direction or control of Mortgagor.

(f) Notwithstanding anything to the contrary herein contained, Mortgagee shall not be liable for any failure to apply to the payment of Taxes and insurance premiums any amounts deposited as Tax and Insurance Deposits unless Mortgagor, while no default exists hereunder, and within a reasonable time prior to the due date, shall have requested Mortgagee in writing to make application of such Tax and Insurance Deposits on hand to the payment of the particular Taxes or insurance premiums for the payment of which such Tax and Insurance Deposits were made, accompanied by the bills therefor and any amounts in addition to available Tax and Insurance Deposits necessary to permit payment in full of the particular Taxes and insurance premiums.

(g) All Tax and Insurance Deposits in the hands of Mortgagee shall be held without allowance of interest, and need not be kept separate and apart, but may be commingled with any funds of Mortgagee until applied in accordance with the provisions hereof.

(h) When the Indebtedness Hereby Secured has been fully paid, any remaining Tax and Insurance Deposits shall be returned to Mortgagor.

7. Proceeds of Insurance. Mortgagor will give Mortgagee prompt notice of any damage to, or destruction of, the Premises, and:

(a) In case of any loss covered by policies of insurance, Mortgagee (or, after entry of decree of foreclosure, the purchaser at the foreclosure sale or decree creditor, as the case may be) is hereby authorized, at its option, either to (i) settle and adjust any claim under such policies without the consent of Mortgagor, or (ii) allow Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss; provided that Mortgagor may itself adjust losses aggregating not in excess of Twenty-Five Thousand Dollars (\$25,000); further provided that, in any case, Mortgagee shall, and is hereby authorized to, collect and receive any such insurance proceeds; and the expenses incurred by Mortgagee in the adjustment and collection of insurance proceeds shall be so much additional Indebtedness Hereby Secured, and shall be reimbursed to Mortgagee upon demand.

(b) In the event of any insured damage to or destruction of the Premises or any part thereof (an "Insured Casualty"), the proceeds of insurance payable with respect to such Insured Casualty shall be applied by Mortgagee in the reduction of the Indebtedness Hereby Secured, whether due or not, in such order as Mortgagee shall determine in its sole and absolute discretion, without premium or penalty. The application by Mortgagee of any insurance proceeds

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to the Indebtedness Hereby Secured shall not cure or waive any default or Event of Default under this Mortgage or any of the other Bank Documents.

(c) Notwithstanding the foregoing, proceeds of rent and rental value insurance or business interruption insurance provided as set forth in subsection 4(c) hereof collected by Mortgagee shall be held and applied as follows:

(i) So long as no Event of Default shall have occurred, such proceeds shall be applied in payment of periodic installments provided for in the PR Agreement, and to the payment of any Tax and Insurance Deposits required by section 6 hereof, and any surplus shall be remitted to Mortgagor; and

(ii) Upon the occurrence of an Event of Default, such proceeds shall be applied as Mortgagee, in its sole discretion, shall determine.

(d) [Intentionally Deleted]

(e) [Intentionally Deleted]

(f) Any portion of insurance proceeds remaining after payment in full of the Indebtedness Hereby Secured shall be paid to Mortgagor or as ordered by a court of competent jurisdiction;

(g) No interest shall be payable by Mortgagee on account of any insurance proceeds at any time held by Mortgagee;

(h) Nothing contained in this Mortgage shall create any responsibility or liability upon Mortgagee to (i) collect any proceeds of any policies of insurance, or (ii) effect the Restoration of any portion of the Premises damaged or destroyed through any cause.

8. Condemnation. Mortgagor will give Mortgagee prompt notice of any proceedings, instituted or threatened, seeking condemnation or taking by eminent domain or any like process (herein generally called a "Taking") of all or any part of the Premises, including damages to grade, and:

(a) Mortgagor hereby assigns, transfers and sets over unto Mortgagee the entire proceeds of any Award consequent upon any Taking;

(b) In the event of a Taking, the Award payable with respect to such Taking shall be applied by Mortgagee in the reduction of the Indebtedness Hereby Secured, whether due or not, in such order as Mortgagee shall determine in its sole and absolute discretion, without premium or penalty. The application by Mortgagee of any Award to the Indebtedness Hereby Secured shall not cure or waive any default or Event of Default under this Mortgage or any of the other Bank Documents.

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(c) Notwithstanding the foregoing, proceeds of rent and rental value insurance or business interruption insurance provided as set forth in subsection 4(c) hereof collected by Mortgagee shall be held and applied as follows:

(i) So long as no Event of Default shall have occurred, such proceeds shall be applied in payment of periodic installments of provided for in the PR Agreement and to the payment of any Tax and Insurance Deposits required by section 6 hereof, and any surplus shall be remitted to Mortgagor; and

(ii) Upon the occurrence of an Event of Default, such proceeds shall be applied as Mortgagee, in its sole discretion, shall determine.

(d) [Intentionally Deleted]

(e) [Intentionally Deleted]

(f) Any portion of any Award remaining after payment in full of the Indebtedness Hereby Secured shall be paid to Mortgagor or as ordered by a court of competent jurisdiction;

(g) No interest shall be payable by Mortgagee on account of any Award at any time held by Mortgagee.

(h) Nothing contained in this Mortgage shall create any responsibility or liability upon Mortgagee to (i) collect any Award, or (ii) effect the Restoration of any portion of the Premises damaged or destroyed by reason of any Taking.

9. [Intentionally Deleted]

10. Stamp Tax. If, by the laws of the United States of America, or of any state having jurisdiction over Mortgagor, any tax is due or becomes due in respect of the PR Agreement, Mortgagor shall pay such tax in the manner required by such law.

11. Prepayment Privilege. At such time as Mortgagor is not in default under the terms of the PR Agreement, or under the terms of this Mortgage or any of the other Bank Documents, Mortgagor shall have the privilege of prepaying the amounts due under the PR Agreement in accordance with the terms and conditions, if any, set forth in the PR Agreement, but not otherwise.

12. Effect of Extensions of Time, Amendments on Junior Liens and Others.

(a) If the payment of the Indebtedness Hereby Secured, or any part thereof, shall be extended or varied, or if any part of the security be released, all persons or entities now or at any time hereafter liable therefor, or interested in the Premises, shall be held to assent to such extension, variation or release, and their liability, and the lien and all provisions hereof,

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shall continue in full force and effect, the right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding any such extension, variation or release.

(b) Any person or entity taking a junior mortgage or other lien upon the Premises or any interest therein shall take said lien subject to the rights of Mortgagee herein to amend, modify and supplement this Mortgage, the PR Agreement, the Assignment, and any and all other Bank Documents, and to impose additional fees and other charges, and to extend the maturity of the Indebtedness Hereby Secured, in each and every case without giving notice to, or obtaining the consent of, the holder of such junior lien, and without the lien of this Mortgage losing its priority over the rights of any such junior lien.

(c) Nothing in this section contained shall be construed as waiving any provision of Section 17 hereof which provides, among other things, that it shall constitute an Event of Default if the Premises is sold, conveyed or encumbered.

13. Effect of Changes in Tax Law. In the event of the enactment after the date hereof by any legislative authority having jurisdiction of the Premises of any law deducting from the value of land for the purpose of taxation, any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Mortgagee's interest in the Premises, or the method of collecting taxes so as to affect this Mortgage or the Indebtedness Hereby Secured, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall pay such taxes or assessments or reimburse Mortgagee therefor; provided that if, in the opinion of counsel for Mortgagee, the payment by Mortgagor of any such taxes or assessments shall be unlawful, then Mortgagee may, by notice to Mortgagor, declare the entire balance of the Indebtedness Hereby Secured to be due and payable on a date specified in such notice, not less than 180 days after the date of such notice, and the Indebtedness Hereby Secured and all accrued interest shall then be due and payable without premium or penalty on the date so specified in such notice.

14. Mortgagee's Performance of Mortgagor's Obligations. In case of a default by Mortgagor in the making of any payment or the performance of any obligation required under this Mortgage or under any of the other Bank Documents, Mortgagee, either before or after the acceleration of the Indebtedness Hereby Secured or the foreclosure of the lien hereof, and during the period of redemption, if any, may, but shall not be required to, make any payment or perform any act herein or in any of the other Bank Documents required of Mortgagor (whether or not Mortgagor is personally liable therefor) in any form and manner deemed expedient to Mortgagee; and in connection therewith:

(a) Mortgagee may, but shall not be required to, make full or partial payments of principal or interest on or other payments due on prior or junior 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 Premises, or contest any tax, assessment, lien or claim, or cure any default of Mortgagor under any Lease;

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(b) Mortgagee may, but shall not be required to, complete construction, furnishing and equipping of the Improvements upon the Premises, and rent, operate and manage the Premises, and pay operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Premises shall be operational and usable for their intended purposes;

(c) All monies paid for any of the purposes herein authorized or authorized by any of the other Bank Documents, and all expenses paid or incurred in connection therewith, including attorneys' fees and expenses and any other monies advanced by Mortgagee to protect the Premises and the lien hereof, or to complete construction, furnishing and equipping of the Improvements, or to rent, operate and manage the Premises, or to pay any such operating costs and expenses thereof, or to keep the Premises operational and usable for their intended purposes, shall be so much additional Indebtedness Hereby Secured, whether or not they exceed the amount payable under the PP Agreement, and shall become immediately due and payable without notice, and with interest thereon at the rate of eighteen percent (18%) per annum (the "Default Rate");

(d) Inaction of Mortgagee shall never be considered a waiver of any right accruing to it on account of any default on the part of Mortgagor;

(e) Mortgagee, in making any payment hereby authorized (i) relating to taxes and assessments, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (ii) for the purchase, discharge, compromise or settlement of any prior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (iii) in connection with the completion or construction, furnishing or equipping of the Premises or the rental, operation or management of the Improvements or the payment of operating costs and expenses of the Premises, may do so in such amounts and to such persons or entities as Mortgagee may deem appropriate, and may enter into such contracts therefor as Mortgagee may deem appropriate, or may perform same itself.

15. Inspection of the Premises. Mortgagee shall have the right to inspect the Premises at all reasonable times, and access thereto shall be permitted for that purpose.

16. Financial Statements. Mortgagor, at its own cost and expense shall furnish to Mortgagee:

(a) Within fifteen (15) days after the last day of each calendar month during the term of the Loan, Mortgagor shall furnish to Mortgagee a true and complete copy of (i) its balance sheet for such calendar month, a statement of its income and expenses for such calendar month, and a statement of changes in its financial condition for such calendar month; (ii) its cash flow statement with respect to said calendar month; (iii) a report summarizing the fees and other remuneration that it paid during such calendar month to its affiliates; (iv) a summary report of its activities during such period, including a summary of the present rental status of the Property, including an updated rent roll; and (v) such other information with respect to such calendar month as Mortgagee shall request.



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(b) Within ninety (90) days after the end of each fiscal year of Mortgagor and of each tenant of the Premises specified by Mortgagee, financial and operating statements of Mortgagor, the Premises, and of each such tenant for such fiscal year, all in reasonable detail, and in any event including each such itemized statement of receipts and disbursements as shall enable Mortgagee to determine whether any default exists hereunder or under the PR Agreement or under any of the other Bank Documents;

(c) All of the information required by this Section 16 shall be (i) prepared in accordance with generally accepted accounting principles consistently applied; (ii) in such form, scope and detail as shall be acceptable to Mortgagee; (iii) certified by Mortgagor, and, if requested by Mortgagee, by a firm of independent certified public accountants acceptable to Mortgagee, to be true and correct in all material respects; (iv) accompanied by a statement by Mortgagor that, as of the date of such information, after reasonable investigation, such person has no knowledge of any Event of Default or event that with the passage of time or the giving of notice or both would constitute an Event of Default, and (v) be delivered to Mortgagee at the place where payments with respect to the PR Agreement are then payable.

(d) If the statements furnished to Mortgagee shall not be prepared in accordance with generally accepted accounting principles consistently applied, or if Mortgagor fails to furnish the same when due, Mortgagee may audit or cause to be audited the books of the Premises and/or the Mortgagor and/or each such tenant, at Mortgagor's expense, and the costs of such audit shall be so much additional indebtedness Hereby Secured bearing interest at the Default Rate until paid, and payable upon demand.

## 17. Restrictions on Transfer.

(a) Mortgagor acknowledges that Mortgagee, in determining whether or not to enter into the PR Agreement, evaluated the background and experience of Mortgagor in owning and operating property such as the Premises, found such background and experience, acceptable, and relies and continues to rely upon same as the means of maintaining the value of the Premises which is Mortgagee's security for the Indebtedness Hereby Secured. Mortgagor and its members are well experienced in borrowing money and owning and operating property such as the Premises, were ably represented by a licensed attorney at law in the negotiation and documentation of the Bank Documents, and bargained at arm's length and without duress of any kind for all of the terms and conditions of the Bank Documents, including this provision. Mortgagor recognizes that Mortgagee is entitled to keep its loan portfolio at current interest rates by either making new loans at such rates or collecting assumption fees and/or increasing the interest rate on a loan, the security for which is purchased by a party other than the original Mortgagor. Mortgagor further recognizes that any junior financing placed upon the Premises may divert funds which would otherwise be used to pay the amounts due and payable under the PR Agreement; could result in acceleration and foreclosure by any such junior encumbrancer which would force Mortgagee to take measures and incur expenses to protect its security; would detract from the value of the Premises should Mortgagee come into possession thereof with the intention of selling same; and would impair Mortgagee's right to accept a deed in lieu of foreclosure, as a foreclosure by Mortgagee would be necessary to clear the title to the Premises.

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In accordance with the foregoing and for the purposes of protecting Mortgagee's security, both of repayment and of value of the Premises; giving Mortgagee the full benefit of its bargain and contract with Mortgagor; allowing Mortgagee to raise the interest rate and collect assumption fees; and keeping the Premises free of subordinate financing liens, Mortgagor agrees that if this Paragraph 17 is deemed a restraint on alienation, such restraint is reasonable.

(b) Subject to the provisions of Section 18 hereof, it shall be an immediate Event of Default hereunder if, without the prior written consent of Mortgagee, any of the following shall occur, and in any event Mortgagee may condition its consent to any of the following upon such changes to the Bank Documents as Mortgagee may, in its sole and absolute discretion, require:

(i) If Mortgagor shall create, effect, contract for, commit to or consent to, or shall suffer or permit, any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of the Premises or any part thereof, or interest therein, excepting only sales or other dispositions of Collateral (hereinafter defined) no longer useful in connection with the operation of the Premises (such Collateral being herein called "Obsolete Collateral"); provided that, prior to the sale or other disposition of such Obsolete Collateral, same has been replaced by Collateral, subject to the first and prior lien hereof, of at least equal value and utility;

(ii) If Mortgagor is a trustee, then if any beneficiary of Mortgagor shall create, effect, contract for, commit to or consent to, or shall suffer or permit, any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of any such beneficiary's beneficial interest in Mortgagor;

(iii) If Mortgagor is a corporation, or if any corporation is a beneficiary of a trustee Mortgagor, then if any shareholder of such corporation shall create, effect, contract for, commit to or consent to, or shall suffer or permit, any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of any such shareholder's shares in such corporation; provided that if such corporation is a corporation whose stock is publicly traded on a national securities exchange or on the "Over the Counter" market, then this Subsection 17(c) shall be inapplicable;

(iv) If Mortgagor is a partnership or joint venture, or if any partnership or joint venture is a beneficiary of a trustee Mortgagor, then if any partner or joint venturer in such partnership or joint venture shall create, effect, contract for, commit to or consent to, or shall suffer or permit, any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of any part of the partnership or joint venture interest, as the case may be, of such partner or joint venturer;

(v) If Mortgagor is a limited liability company, or if any limited liability company is a beneficiary of a trustee Mortgagor, then if any member in such limited liability company shall create, effect, contract for, commit to or consent to, or shall suffer or

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permit, any sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of any part of the membership interest of such member;

(vi) If there shall be any change in control (by way of transfers of stock ownership, partnership interests, limited liability company membership interests or otherwise) in any partner which directly or indirectly controls, or is a partner in, a partnership or joint venture described in Subsection 17(d) above;

(vii) If there shall be any change in control (by way of transfers of stock ownership, partnership interests, limited liability company membership interests or otherwise) in any member which directly or indirectly controls, or is a member in, a limited liability company described in Subsection 17(e) above;

in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance, alienation or other occurrence is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided, that the provisions of this Section 17 shall be operative with respect to, and shall be binding upon any persons or entities who, in accordance with the terms hereof or otherwise, shall acquire any part of or interest in or encumbrance upon the Premises, or such beneficial interest in, share of stock of, partnership or joint venture interest in, or limited liability company membership interest in Mortgagor or any beneficiary of a trustee Mortgagor; and provided further that no consent by Mortgagee to, or any waiver of, any event or condition which would otherwise constitute an Event of Default under this Section 17, shall constitute a consent to or waiver of any other or subsequent such event or condition or a waiver of any right, remedy or power of Mortgagee consequent thereon.

18. Permitted Transfers. The provisions of Section 17 hereof shall not apply to any of the following:

- (a) liens securing the Indebtedness Hereby Secured; or
- (b) the lien of current real estate taxes and assessments not in default.

19. Uniform Commercial Code. This Mortgage constitutes a Security Agreement under the Uniform Commercial Code of the State in which the Premises is located (herein called the "Code") with respect to any part of the Premises that may or might now or hereafter be or be deemed to be personal property, fixtures or property other than real estate, and all replacements of, substitutions for, additions to, and the proceeds thereof (all for the purposes of this Mortgage collectively called "Collateral"); all of the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Premises; and the following provisions of this Section 19 shall not limit the generality or applicability of any other provision of this Mortgage, but shall be in addition thereto:

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(a) Mortgagor (being the Debtor as that term is used in the Code) is and will be the true and lawful owner of the Collateral, subject to no liens, charges or encumbrances other than the lien hereof.

(b) The Collateral is to be used by Mortgagor solely for business purposes, being installed upon the Premises for Mortgagor's own use or as the equipment and furnishings furnished by Mortgagor, as landlord, to tenants of the Premises.

(c) The Collateral will be kept at the Real Estate, and will not be removed therefrom without the consent of Mortgagee (being the Secured Party as that term is used in the Code) by Mortgagor or any other person or entity; and the Collateral may be affixed to the Real Estate but will not be affixed to any other real estate.

(d) The only persons having any interest in the Premises are Mortgagor, Mortgagee, and persons occupying the Premises as tenants only.

(e) No Financing Statement covering any of the Collateral or any proceeds thereof is on file in any public office except pursuant hereto; and Mortgagor will, at its own cost and expense, upon demand, furnish to Mortgagee such further information, and will execute and deliver to Mortgagee such financing statements and other documents in form satisfactory to Mortgagee, in its sole and absolute discretion, and will do all such acts and things as Mortgagee may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Indebtedness Hereby Secured, subject to no adverse liens or encumbrances; and Mortgagor will pay the cost of filing the same or filing or recording such financing statements or other documents, and this instrument, in all public offices wherever filing or recording is deemed by Mortgagee to be necessary or desirable. Mortgagee hereby irrevocably authorizes Mortgagee at any time, and from time to time, to file in any jurisdiction any initial financing statements and amendments thereto that (i) indicate the Collateral as all assets of Mortgagor (or words of similar effect), regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of the jurisdiction where such financing statement or amendment is filed, or as being of an equal or lesser scope or within greater detail, and (ii) contain any other information required by Section 5 of Article 9 of the Uniform Commercial Code of the jurisdiction where such financing statement or amendment is filed regarding the sufficiency or filing office acceptance of any financing statement or amendment, including whether Mortgagor is an organization, the type of organization and any organization identification number issued to Mortgagor, and in the case of a financing statement filed as a fixture filing or indicating Collateral as extracted Collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. Mortgagor agrees to furnish any such information to Mortgagee promptly upon request. Mortgagor further ratifies and affirms its authorization for any financing statements and/or amendments thereto executed and filed by Mortgagee in any jurisdiction prior to the date of this Mortgage.

(f) Upon the occurrence of any Event of Default hereunder (regardless of whether the Code has been enacted in the jurisdiction where rights or remedies are asserted) and

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at any time thereafter (such Event of Default not having previously been cured), Mortgagee, at its option, may declare the Indebtedness Hereby Secured immediately due and payable, all as more fully set forth in Section 20 hereof, and thereupon Mortgagee shall have the remedies of a secured party under the Code, including, without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as Mortgagee can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any place which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code).

(g) Mortgagee shall be entitled to hold, maintain, preserve and prepare the Collateral for sale until disposed of, or may propose to retain the Collateral, subject to Mortgagor's right of redemption, if any, in satisfaction of Mortgagor's obligations, as provided in the Code; provided that (i) Mortgagee without removal may render the Collateral unusable and dispose of the Collateral on the Premises, and (ii) Mortgagee may require Mortgagor to assemble the Collateral and make it available to Mortgagee for its possession at a place to be designated by Mortgagee that is reasonably convenient to both parties.

(h) Mortgagee will give Mortgagor at least ten (10) days' notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is made, and the requirements of reasonable notice shall be met if such notice is mailed, by certified mail or the equivalent thereof, postage prepaid, to the address specified for notices to Mortgagor as set forth in Section 42 hereof, at least ten (10) days before the time of the sale or disposition.

(i) Mortgagee may buy at any public sale, and if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, Mortgagee may buy at private sale, and any such sale may be held as part of and in conjunction with any foreclosure sale of the Real Estate, the Collateral and Real Estate to be sold as one lot if Mortgagee so elects.

(j) The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling or the like, and the reasonable attorneys' fees and legal expenses incurred by Mortgagee (whether of retained firms, in-house staff, or otherwise), shall be applied in satisfaction of the Indebtedness Hereby Secured; and Mortgagee will account to Mortgagor for any surplus realized on such disposition.

(k) The remedies of Mortgagee hereunder are cumulative, and the exercise of any one or more of the remedies provided for herein or under the Code shall not be construed as a waiver of any of the other remedies of Mortgagee, including having the Collateral deemed part of the Real Estate upon any foreclosure thereof, so long as any part of the Indebtedness Hereby Secured remains unsatisfied.

(l) The terms and provisions contained in this Section 19 shall, unless the context otherwise requires, have the meanings and be construed as provided in the Code.

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(m) This Mortgage is intended to be a financing statement within the purview of Section 9-502(c) of the Code with respect to the Collateral and the goods described herein, which goods are or may become fixtures relating to the Premises. The addresses of Mortgagor (Debtor) and Mortgagee (Secured Party) are hereinbelow set forth. This Mortgage is to be filed for recording with the Recorder of Deeds of the county or counties where the Premises are located. Mortgagor is the record owner of the Premises.

(n) To the extent permitted by applicable law, the security interest created hereby is specifically intended to cover all Leases between Mortgagor or its agents as lessor, and various tenants named therein, as lessee, including all extended terms and all extensions and renewals of the terms thereof, as well as any amendments to or replacement of said Leases, together with all of the right, title and interest of Mortgagor, as lessor thereunder.

(o) Mortgagor represents and warrants as follows:

- (i) Mortgagor is the record owner of the Premises.
- (ii) Mortgagor is a resident of the State of Illinois.
- (iii) Mortgagor's exact legal name is as set forth in the first paragraph of this Mortgage.
- (iv) [Intentionally Deleted]

(p) Mortgagor agrees that:

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

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

(iii) Until the Indebtedness Hereby Secured is paid in full, Mortgagor will not change the state where it resides without giving Mortgagee at least thirty days' prior written notice in each instance.

20. Events of Default. If one or more of the following events (herein called "Events of Default") shall occur:

(a) If default is made in the due and punctual payment of any amount due and payable in accordance with the terms of the PR Agreement as and when same is due and payable, or if default is made in the payment of any other monies required to be paid hereunder or under any of the other Bank Documents, without notice or grace period of any kind; or

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(b) If an Event of Default pursuant to Section 17 hereof shall occur and be continuing, without notice or grace of any kind; or

(c) If default is made in the maintenance and delivery to Mortgagee of insurance required to be maintained and delivered hereunder, without notice or grace of any kind; or

(d) Without notice or grace of any kind, if:

(i) Mortgagor or any of them shall file a petition in voluntary bankruptcy under the Bankruptcy Code of the United States or any similar law, state or federal, now or hereafter in effect;

(ii) Mortgagor or any of them shall file an answer admitting insolvency or inability to pay its debts;

(iii) Within sixty (60) days after the filing against Mortgagor or any of them of any involuntary proceedings under such Bankruptcy Code or similar law, such proceedings shall not have been vacated or stayed;

(iv) Mortgagor or any of them shall be adjudicated a bankrupt, or a trustee or receiver shall be appointed for Mortgagor or any of them for all or the major part of the property of Mortgagor or any of them or the Premises in any involuntary proceeding, or a court shall have taken jurisdiction of all or the major part of the property of Mortgagor or any of them or the Premises in any involuntary proceeding for the protection, reorganization, dissolution, liquidation or winding up of Mortgagor or any of them, and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed with sixty (60) days;

(v) Mortgagor or any of them shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver or trustee or liquidator of all or the major part of its property, or the Premises;

(vi) Mortgagor shall dissolve or liquidate;

(vii) Mortgagor or any of them shall die, be legally incompetent or be mentally disabled;

(viii) Any default shall occur under any documents evidencing or securing any indebtedness owing by Mortgagor to Mortgagee other than the Indebtedness Hereby Secured, and such default shall not be cured within the grace and cure periods, if any, set forth in such documents with respect to such default;

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(e) If any default shall occur under the provisions of Section 26 hereof, or if any default shall occur any under the Assignment that shall not be cured within the grace and cure periods, if any, set forth in the Assignment with respect to such default;

(f) [Intentionally Deleted];

(g) [Intentionally Deleted];

(h) If any representation or warranty made by or on behalf of Mortgagor herein or in any or the other Bank Documents or in connection with the Indebtedness Hereby Secured shall prove untrue in any material respect;

(i) If the Premises shall be abandoned;

(j) If any default shall occur under any of the other Bank Documents that shall not be cured within the grace and cure periods, if any, set forth in such other Bank Documents with respect to such default;

(k) Without notice or grace of any kind, if any default shall occur under, or if any change, amendment or modification shall be made to, any document other than the Bank Documents that encumbers the Premises or any portion thereof as security for any indebtedness; provided that, nothing in this subparagraph (k) shall be deemed to be a consent by Mortgagee to any such other document or to any lien created thereby;

(l) If default shall continue for fifteen (15) days after notice thereof by Mortgagee to Mortgagor in the due and punctual performance or observance of any other agreement or condition herein or in the PR Agreement contained; provided that if such default is not susceptible to cure within such 15-day period, such 15-day period shall be extended to the extent necessary to permit such cure if, but only if, (i) Mortgagor shall commence such cure within such 15-day period, and shall thereafter prosecute such cure to completion diligently and without delay, and (ii) no other Event of Default shall occur;

then Mortgagee is hereby authorized and empowered, at its option, and without affecting the lien hereby created or the priority of said lien or any right of Mortgagee hereunder, to declare, without further demand or notice, all Indebtedness Hereby Secured to be immediately due and payable, whether or not such default is thereafter remedied by Mortgagor, and Mortgagee may immediately proceed to foreclose this Mortgage and/or to exercise any right, power or remedy provided by this Mortgage, the PR Agreement, the Assignment or any other Bank Documents or by law or in equity conferred.

## 21. Foreclosure Expenses.

(a) In any suit or proceeding to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees and expenses (whether of retained firms, in-house staff, or otherwise), appraiser's fees, outlays for



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documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurance with respect to title, as Mortgagee may deem reasonably necessary either to prosecute such suit or evidence to bidders at sales which may be had pursuant to such decree, the true condition of the title to or the value of the Premises.

(b) All expenditures and expenses of the nature in this Section 21 mentioned, and such expenses and fees as may be incurred in the protection of the Premises and the maintenance of the lien of this Mortgage, including the fees and expenses of any attorney employed by Mortgagee in any litigation or proceedings affecting this Mortgage, the PR Agreement, the other Loan Documents or the Premises or the rights of Mortgagee hereunder or as to which Mortgagee may be made a party by virtue of its interest in the Premises pursuant to this Mortgage or otherwise, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall constitute so much Indebtedness Hereby Secured, and shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate.

22. Proceeds of Foreclosure Sale. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Section 21 hereof; second, all other items which, under the terms hereof, constitute Indebtedness Hereby Secured additional to the amounts required to be paid in accordance with the terms of the PR Agreement, with interest on such items as herein provided; third, to amounts due and payable under the PR Agreement; and lastly, any overplus to Mortgagor, and its successors or assigns, as their rights may appear.

23. Receiver. Mortgagor consents and agrees that:

(a) Upon, or at any time after, the filing of a complaint to foreclose this Mortgage, the court with which such complaint is filed may appoint a receiver of the Premises.

(b) Such appointment may be made either before or after sale, without notice, without regard to solvency or insolvency of Mortgagor at the time of application for such receiver, and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not; and Mortgagee hereunder or any assignee of the rights of Mortgagee under the PR Agreement may be appointed as such receiver.

(c) Such receiver shall have the power to collect the Rents during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collection of such Rents, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period.

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(d) The court may, from time to time, authorize the receiver to apply the net income from the Premises in his hands in payments in whole or in part of:

(i) The Indebtedness Hereby Secured or the indebtedness secured by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or such decree, provided such application is made prior to the foreclosure sale; or

(ii) The deficiency in case of a sale and deficiency.

24. Insurance Upon Foreclosure. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied in the Restoration of the Improvements, as aforesaid, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct; and:

(a) In the case of foreclosure of this Mortgage, the court, in its decree, may provide that the mortgagee's clause attached to each of the casualty insurance policies may be canceled and that the purchaser at foreclosure sale may cause a new loss clause to be attached to each of said casualty insurance policies making the loss thereunder payable to said purchaser, and any such foreclosure decree may further provide that in case of a redemption under said decree as provided by statute such redeemer may cause the preceding loss clause attached to each casualty insurance policy to be canceled and a new loss clause to be attached thereto, making the loss thereunder payable to such redeemer; and

(b) In the event of a foreclosure sale, Mortgagee is hereby authorized, without the consent of Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of the said insurance policies.

25. Waiver. Mortgagor hereby covenants and agrees to the full extent permitted by law (but not otherwise) that it will not at any time insist upon or plead, or in any manner whatsoever claim or take any advantage of, any stay, exemption or extension law, any "Homestead Law" or any so-called "Moratorium Law" now or at any time hereafter in force, nor claim, take or insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Premises, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provisions herein contained, or to decree, judgment or order of any court of competent jurisdiction; or, after such sale or sales, claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshaling thereof, upon foreclosure sale or other enforcement hereof; and without limiting the foregoing:

(a) Mortgagor hereby expressly waives any and all rights of redemption from sale, if any, under any order or decree of foreclosure of this Mortgage, on its own behalf and on behalf of each and every person, it being the intent of this waiver that any and all such rights of

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redemption of Mortgagor and of all other persons are and shall be deemed to be hereby waived to the full extent permitted by the provisions of Illinois Compiled Statutes 735 ILCS 5/15-1601 or other applicable law or replacement statutes;

(b) Mortgagor will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any right, power or remedy herein or otherwise granted or delegated to Mortgagee, but will suffer and permit the execution of every such right, power and remedy as though no such law or laws had been made or enacted; and

(c) If Mortgagor is a trustee, Mortgagor represents that the provisions of this section 25 (including the waiver of redemption rights) were made at the express direction of Mortgagor's beneficiaries and the persons having the power of direction over Mortgagor, and all are made on behalf of the trust estate of Mortgagor and all beneficiaries of Mortgagor, as well as all other persons and entities mentioned above.

26. Assignment. As further security for the Indebtedness Hereby Secured, Mortgagor has, concurrently herewith, executed and delivered to Mortgagee a separate Assignment of Rents and Leases (herein called the "Assignment"), dated as of the date hereof, wherein and whereby, among other things, Mortgagor has assigned to Mortgagee all of the rents, issues and profits, and/or any and all Leases and/or the rights of management, of the Premises, all as therein more specifically set forth, which Assignment is hereby incorporated herein by reference as fully and with the same effect as if set forth herein at length; and in connection with the foregoing:

(a) Mortgagor agrees that it will duly perform and observe all of the terms and provisions on its part to be performed and observed under the Assignment;

(b) Mortgagor agrees that it will duly perform and observe all of the terms and provisions on lessor's part to be performed and observed under any and all Leases to the end that no default on the part of lessor shall exist thereunder; and

(c) Nothing herein contained shall be deemed to obligate Mortgagee to perform or discharge any obligation, duty or liability of lessor under any Lease; and Mortgagor shall and does hereby agree to indemnify, defend and hold Mortgagee harmless, from any and all liability, loss or damage which Mortgagee may or might incur under any Lease or by reason of the Assignment; and any and all such liability, loss or damage incurred by Mortgagee, together with the costs and expenses, including reasonable attorneys' fees and expenses, incurred by Mortgagee in the defense (including preparation for defense) of any claims or demands therefor (whether successful or not), shall be so much additional Indebtedness Hereby Secured, and Mortgagor shall reimburse Mortgagee therefor on demand, together with interest at the Default Rate from the date of demand to the date of payment.

27. Priorities With Respect to Leases. If Mortgagee shall execute and record (or register) in the public office wherein this Mortgage is recorded (or registered) a unilateral declaration that this Mortgage shall be subject and subordinate, in whole or in part, to any Lease, then, upon such recordation (or registration), this Mortgage shall become subject and subordinate

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to such Lease to the extent set forth in such declaration; provided, that such subordination shall not extend to or affect the priority of entitlement to insurance proceeds or any Award unless such declaration shall specifically so provide.

28. Mortgagee in Possession. Nothing herein contained shall be construed as constituting Mortgagee as a mortgagee in possession in the absence of the actual taking of possession of the Premises by Mortgagee.

29. Business Loan. Mortgagor represents and agrees that the Indebtedness Hereby Secured is a business loan within the purview of paragraph 1(c) of section 205/4 of Chapter 18 of the Illinois Compiled Statutes (or any substitute, amended or replacement statutes), and is transacted solely for the purpose of carrying on or acquiring the business of Mortgagor or, if Mortgagor is a trustee, for the purpose of carrying on or acquiring the business of the beneficiaries of Mortgagor, as contemplated by said section.

30. [Intentionally Deleted]

31. Contests. Notwithstanding anything to the contrary herein contained, Mortgagor shall have the right to contest by appropriate legal proceedings diligently prosecuted any Taxes imposed or assessed upon the Premises or which may be or become a lien thereon, and any mechanics', materialman's or other liens or claims for lien upon the Premises (all herein called "Contested Liens"), and no Contested Lien shall constitute an Event of Default hereunder if, but only if:

(a) Mortgagor shall forthwith give notice of any Contested Lien to Mortgagee at the time the same shall be asserted;

(b) Mortgagor shall deposit with Mortgagee the full amount (herein called the "Lien Amount") of such Contested Lien or which may be secured thereby, together with such amount as Mortgagee, in its sole and absolute discretion, may estimate as interest or penalties that might arise during the period of contest; provided that, in lieu of such payment, Mortgagor may furnish to Mortgagee a bond or title indemnity in such amount and form, and issued by a bond or title-insuring company, as may be satisfactory to Mortgagee, in its sole and absolute discretion;

(c) Mortgagor shall diligently prosecute the contest of any Contested Lien by appropriate legal proceedings having the effect of staying the foreclosure or forfeiture of the Premises, and shall permit Mortgagee to be represented in any such contest, and shall pay all expenses incurred by Mortgagee in so doing, including fees and expenses of Mortgagee's counsel (all of which expenses shall constitute so much additional Indebtedness Hereby Secured bearing interest at the Default Rate until paid, and payable upon demand);

(d) Mortgagor shall pay such Contested Lien and all Lien Amounts, together with interest and penalties thereon, (i) if, and to the extent, that any such Contested Lien shall be determined adverse to Mortgagor, or (ii) forthwith upon demand by Mortgagee if, in the opinion

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of Mortgagee, and notwithstanding any such contest, the Premises shall be in jeopardy or in danger of being forfeited or foreclosed; provided that if Mortgagor shall fail so to do, Mortgagee may, but shall not be required to, pay all such Contested Liens and Lien Amounts and interest and penalties thereon and such other sums as may be necessary in the judgment of Mortgagee to obtain the release and discharge of such liens; and any amount expended by Mortgagee in so doing shall be so much additional Indebtedness Hereby Secured bearing interest at the Default Rate until paid, and payable upon demand; and provided further that Mortgagee may in such case use and apply for the purpose monies deposited as provided in subsection 31(b) above, and may demand payment upon any bond or title indemnity furnished as aforesaid.

32. Indemnification. Mortgagor does hereby covenant and agree that:

(a) Mortgagee shall have no responsibility for the control, care, management or repair of the Premises, and shall not be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Premises resulting in loss, injury or death to any tenant, licensee, immediate stranger or other person;

(b) No liability shall be asserted or enforced against Mortgagee in the exercise of the rights and powers hereby granted to Mortgagee; and Mortgagor hereby expressly waives and releases any such liability;

(c) Mortgagor shall and does hereby agree to indemnify, defend and hold Mortgagee harmless from any liability, loss or damage which Mortgagee may or might incur by reason of (i) exercise by Mortgagee of any right hereunder, and (ii) any and all claims and demands whatsoever which may be asserted against Mortgagee by reason of any violation of, or liability under, any Environmental Regulation (other than due solely to an act or omission of Mortgagee after obtaining possession or control of the Premises) or of any alleged obligation or undertaking on Mortgagee's part to perform or discharge any of the terms, covenants or agreements contained herein or in any instrument evidencing, securing or relating to the Indebtedness Hereby Secured or in any contracts, agreements or other instruments relating to or affecting the Premises; any and all such liability, loss or damage incurred by Mortgagee, together with the costs and expenses including reasonable attorneys' fees and expenses incurred by Mortgagee in the defense (including preparation for defense) of any claims or demands therefor (whether successful or not) shall be so much additional Indebtedness Hereby Secured, and Mortgagor shall reimburse Mortgagee therefor on demand, together with interest thereon at the Default Rate from the date of demand to the date of payment.

(d) The provisions of this paragraph 32 shall continue and remain in full force and effect after all amounts due and payable under the PR Agreement, this Mortgage and the other Bank Documents shall have been paid in full and all of the obligations under the PR Agreement, this Mortgage and the other Bank Documents shall have been discharged in full, and shall survive the termination of this Mortgage.

33. Not a Joint Venturer or Partner. Mortgagor and Mortgagee acknowledge that in no event shall Mortgagee be deemed to be a partner or joint venturer with Mortgagor or any

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beneficiary of Mortgagor; and without limiting the generality of the foregoing, Mortgagee shall not be deemed to be such a partner or joint venturer on account of its becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage or pursuant to any other instrument or document evidencing or securing any of the Indebtedness Hereby Secured, or otherwise.

34. Subrogation. To the extent that Mortgagee, on or after the date hereof, pays any sum due under or secured by any Senior Lien (as hereinafter defined), or Mortgagor or any other person pays any such sum with the proceeds of the Indebtedness Hereby Secured:

(a) Mortgagee shall have and be entitled to a lien on the Premises equal in priority to the Senior Lien discharged, and Mortgagee shall be subrogated to, and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such Senior Lien, which shall remain in existence, and shall benefit Mortgagee, in securing the Indebtedness Hereby Secured; and

(b) Notwithstanding the release of record of Senior Liens, Mortgagee shall be subrogated to the rights and liens of all mortgages, trust deeds, superior titles, vendor's liens, mechanics' liens, or liens, charges, encumbrances, rights and equities on the Premises having priority over the lien of this Mortgage (herein generally called "Senior Liens"), to the extent that any obligation secured thereby is directly or indirectly paid or discharged with proceeds of disbursements or advances of the Indebtedness Hereby Secured, whether made pursuant to the provisions hereof or of the PR Agreement or any document or instrument executed in connection with the Indebtedness Hereby Secured.

35. Title in Mortgagor's Successors. In the event that the ownership of the Premises or any part thereof becomes vested in a person or persons other than Mortgagor, (a) Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest of Mortgagor with reference to this Mortgage and the Indebtedness Hereby Secured in the same manner as with Mortgagor; and (b) Mortgagor will give immediate written notice to Mortgagee of any conveyance, transfer or change of ownership of the Premises; but nothing in this Section 35 contained shall vary or negate the provisions of Section 17 hereof.

36. Rights Cumulative. Each right, power and remedy herein conferred upon Mortgagee 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 by Mortgagee, 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 Mortgagee or 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.

37. Successors and Assigns. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon Mortgagor and its heirs, personal

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representatives, successors and assigns (including, without limitation, each and every from time to time record owner of the Premises or any other person having an interest therein), and shall inure to the benefit of Mortgagee and its successors and assigns. Wherever herein Mortgagee is referred to, such reference shall be deemed to include Mortgagee's successors and assigns; and each such successor and assign shall have and enjoy all of the rights, privileges, powers, options, benefits and security afforded hereby and hereunder, and may enforce every and all of the terms and provisions hereof, as fully and to the same extent and with the same effect as if such successor and assign were herein by name specifically granted such rights, privileges, powers, options, benefits and security and were herein by name designated Mortgagee.

38. Provisions Severable. The unenforceability, invalidity or illegality of any provision or provisions hereof shall not render any other provision or provisions herein contained unenforceable, invalid or illegal.

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

40. Captions and Headings. 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.

41. Pronouns. Wherever in this Mortgage the context requires or permits, the singular number shall include the plural, the plural shall include the singular, and the masculine, feminine and neuter genders shall be freely interchangeable.

42. Notices. Each notice permitted or required pursuant to this Mortgage shall be in writing and shall be deemed to have been properly given (a) upon delivery, if delivered in person or sent by facsimile with receipt acknowledged; (b) on the third business day following the day such notice is deposited in any United States post office or letter box if mailed by certified mail, return receipt requested, postage prepaid; or (c) on the first business day following the day such notice is delivered to a nationally-recognized overnight courier service and addressed to the party to whom such notice is intended, as set forth below:

To Mortgagee:

Broadway Bank  
5960 N. Broadway  
Chicago, Illinois 60660  
Attn: Demetris Giannoulis  
Facsimile: (773) 989-6437

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With a copy to:

Gary Scott Saipe, Esq.  
Boodell Domanskis & Saipe, LLC  
Suite 4307  
205 N. Michigan Avenue  
Chicago, Illinois 60601  
Facsimile: (312) 540-1162

To Mortgagor:

Shoaib Aftab and Mohammad Ali  
Suite 201, 6355 N. Claremont  
Chicago, Illinois 60659  
Facsimile: 773/338-0813

With a copy to:

Alan S. Levin, Esq.  
Alan S. Levin & Associates, Ltd.  
Suite 300  
29 S. LaSalle Street, Chicago, IL 60603  
Facsimile: 312-782-2039

Either Mortgagor or Mortgagee may designate a different address for notice purposes by giving notice thereof in accordance with this paragraph; provided, however, that such notice shall not be deemed to have been given until such notice shall be actually received by the addressee.

43. Mortgagor Will Not Discriminate. Mortgagor covenants and agrees at all times to be in full compliance with provisions of law prohibiting discrimination on the basis of race, color, creed or national origin including, but not limited to, the requirements of Title VIII of the 1968 Civil Rights Act or any substitute, amended or replacement Acts.

44. Default Payments. Without limiting the generality of any provision herein or in the PR Agreement contained, from and after the occurrence of any Event of Default hereunder, Default Payments (as defined in the PR Agreement) shall be due and payable.

45. Time. Time is of the essence hereof and of the PR Agreement, the Assignment and all of the other Bank Documents, and all of the other instruments delivered in connection with the Indebtedness Hereby Secured.

46. Applicable Law. This Mortgage shall be governed and construed in accordance with the laws of the State in which the Premises are located; provided that Mortgagor hereby acknowledges that Illinois law shall govern the PR Agreement.

47. Additional Acts and Deeds. Mortgagor covenants and agrees to do, execute, acknowledge and deliver all further acts, deeds, conveyances, transfers and assurances necessary or proper, in the sole judgment of Mortgagee, for the better assuring, conveying, mortgaging, assigning and confirming unto Mortgagee all property mortgaged hereby or property intended so to be, whether now owned by Mortgagor or hereafter acquired.



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48. Recording and Filing. At the request of Mortgagee, Mortgagor will cause this Mortgage and all other Bank Documents at all times to be properly filed and/or recorded (or registered) at Mortgagor's own expense and in such manner and in such places as Mortgagee may request in order to fully preserve, perfect and protect the rights and security of Mortgagee.

49. Sole and Absolute Discretion. When the phrase "in its sole and absolute discretion" is used herein with respect to Mortgagee, such phrase shall permit Mortgagee to make a decision without allowance for reasonableness.

50. [Intentionally Deleted]

51. Estoppel Statement. Mortgagor, within ten (10) days of being so requested by Mortgagee, shall deliver to Mortgagee a duly acknowledged written statement setting forth the amount of the Indebtedness Hereby Secured and stating the date to which payments payable under the PR Agreement have been paid, and also stating either that no offsets or defenses exist with respect to the Indebtedness Hereby Secured or, if any such offsets or defenses are alleged to exist, setting forth the nature of such offsets or defenses.

52. Particular Words. The words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Mortgage as a whole and not to any particular section of this Mortgage unless specifically stated otherwise in this Mortgage.

53. No Merger. The parties hereto intend that this Mortgage and the lien hereof shall not merge in fee simple title to the Premises, and if Mortgagee acquires any additional or other interest in or to the Premises or the ownership thereof, then, unless a contrary intent is manifested by Mortgagee as evidenced by an express statement to that effect in an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in the fee simple title and this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

54. Maximum Indebtedness. Notwithstanding anything contained herein to the contrary, in no event shall the Indebtedness Hereby Secured exceed an amount equal to one million and 00/100 dollars (\$1,000,000.00); provided, however, in no event shall Mortgagee be obligated to advance funds in excess of the Resale Price.

55. Subordination of Property Manager's Lien. Any property management agreement for the Premises entered into hereafter with a property manager shall contain a provision whereby the property manager agrees that any and all mechanics' lien rights that the property manager or anyone claiming by, through or under the property manager may have in the Premises shall be subject and subordinate to the lien of this Mortgage and shall provide that Mortgagee may terminate such agreement at any time after the occurrence of an Event of Default hereunder. Such property management agreement or a short form thereof, at Mortgagee's request, shall be recorded with the Recorder of Deeds of the county where the Premises are located. In addition, if the property management agreement in existence as of the date hereof does not contain a subordination provision, Mortgagor shall cause the property manager under such agreement to enter into a subordination of the management agreement with Mortgagee, in recordable form,

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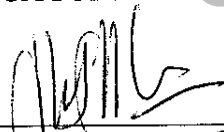
whereby such property manager subordinates present and future lien rights and those of any party claiming by, through or under such property manager to the lien of this Mortgage.


56. Consent to Jurisdiction TO INDUCE MORTGAGEE TO ENTER INTO THE PR AGREEMENT, MORTGAGOR IRREVOCABLY AGREES THAT, SUBJECT TO MORTGAGEE'S SOLE AND ABSOLUTE ELECTION, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THE PR AGREEMENT AND THIS MORTGAGE WILL BE LITIGATED IN COURTS HAVING SITUS IN CHICAGO, ILLINOIS. MORTGAGOR HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY COURT LOCATED WITHIN CHICAGO, ILLINOIS, WAIVES PERSONAL SERVICE OF PROCESS UPON MORTGAGOR, AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL DIRECTED TO MORTGAGOR AT THE ADDRESS STATED HEREIN AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT.

57. Waiver of Jury Trial. MORTGAGOR AND MORTGAGEE (BY ACCEPTANCE HEREOF), HAVING BEEN REPRESENTED BY COUNSEL, EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (a) UNDER THIS MORTGAGE OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS MORTGAGE OR (b) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS MORTGAGE, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. MORTGAGOR AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST MORTGAGEE OR ANY OTHER PERSON INDEMNIFIED UNDER THIS MORTGAGE ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.

IN WITNESS WHEREOF, Mortgagor has executed this instrument by its duly authorized signatories as of the date first above written.

MORTGAGOR:

  
 \_\_\_\_\_  
 Shoaib Aftab

  
 \_\_\_\_\_  
 Mohammad Ali

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STATE OF ILLINOIS )  
 )ss  
COUNTY OF COOK )

I, Melissa Conn, a Notary Public in and for the County and State aforesaid, do hereby certify that SHOAIB AFTAB and MOHAMMAD ALI, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 13<sup>TH</sup> day of April, 2005.



Notary Public

My Commission Expires:



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## EXHIBIT A

### LEGAL DESCRIPTION OF THE REAL ESTATE

Lot 19 in Block 3 in Summerdale Park, being a Subdivision of the South  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  of Section 7, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois

Property of Cook County Clerk's Office