



1635115118

Doc# 1635115118 Fee \$104.00

RHSP FEE:\$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 12/16/2016 02:01 PM PG: 1 OF 34

Illinois Anti-Predatory Lending Database Program

Certificate of Exemption

Report Mortgage Fraud
800-532-8785

for
7
8
19
28
1818

The property identified as: PIN: 17-08-441-006-0000

Address:

Street: 832 WEST WASHINGTON STREET

Street line 2:

City: CHICAGO

State: IL

ZIP Code: 60607

Lender: THE PRIVATEBANK AND TRUST COMPANY

Borrower: HONEY PIE LLC

Loan / Mortgage Amount: \$2,290,293.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is commercial property.

Certificate number: CAA068B9-6942-466F-AEE3-88F580910478

Execution date: 12/14/2016

PA

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**THIS DOCUMENT WAS PREPARED
BY, AND AFTER RECORDING,
RETURN TO:**

Marcia W. Sullivan, Esq.
Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago, Illinois 60661

Cook County:

832 West Washington Street, Chicago,
Illinois

PIN: 17-08-441-006-0000

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

by

**HONEY PIE LLC,
an Illinois limited liability company,**

to and for the benefit of

**THE PRIVATEBANK AND TRUST COMPANY,
an Illinois state chartered bank**

8981928-7 5 or 6

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EXHIBIT A Legal Description of Real Estate
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SECOND MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING

THIS SECOND MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING (“Mortgage”) is made as of December 14, 2016, by **HONEY PIE LLC**, an Illinois limited liability company (“Mortgagor”), to and for the benefit of **THE PRIVATEBANK AND TRUST COMPANY**, an Illinois state chartered bank, in its capacity as Administrative Agent for the Lenders (as defined in the Loan Agreement described below) (together with its successors and assigns, the “Mortgagee”).

RECITALS:

(A) Pursuant to the terms and conditions of a Loan Agreement of even date herewith (as amended, restated or replaced from time to time, the “Loan Agreement”) among Lower Forest LLC, Peach Pit LLC, Flatiron Glades LLC, Main Third Bowl LLC and Uecker Glades LLC, each an Illinois limited liability company (individually, each an “Other Borrower” and collectively, the “Other Borrowers”, and collectively with Mortgagor, the “Borrowers”), Mortgagor, Mortgagee and the Lenders, Mortgagee has agreed to loan to the Borrowers the principal amount of up to Seventeen Million Five Hundred Thousand (\$17,500,000) (the “Loan”). The Loan shall be evidenced by i) a promissory note made by Mortgagor and payable to the order of the Lenders in the principal amount of \$2,290,293 (as amended, restated or replaced from time to time, the “Note”), and ii) promissory notes made by each Other Borrower and payable to the order of the Lenders (collectively, as amended, restated or replaced from time to time, the “Other Notes” and collectively with the Note, the “Notes”) and due on December 14, 2019 (the “Maturity Date”), except as may be accelerated pursuant to the terms hereof or of the Note, the Loan Agreement or any other Loan Document (as defined in the Loan Agreement) or extended for up to two (2) years pursuant to Section 3.4 of the Loan Agreement.

(B) Pursuant to that certain Payment Guaranty by Mortgagor in favor of Mortgagee dated as of the date hereof (the “Mortgagor Guaranty”), Mortgagor has guaranteed (i) the punctual payment and performance when due, whether at stated maturity or by acceleration of otherwise, of the indebtedness and other obligations of the Other Borrowers to Mortgagee evidenced by the Other Notes and any other amounts that may become owing by the Other Borrowers under the Loan Documents and (ii) certain other obligations as more particularly set forth in the Mortgagor Guaranty.

(C) A condition precedent to the Lenders’ making of the Loan to the Borrowers is the execution and delivery by Mortgagor of this Mortgage.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor agrees as follows:

Mortgagor hereby mortgages, grants, assigns, remises, releases, warrants and conveys to Mortgagee and its successors and assigns, and grants a security interest in, the following described property, rights and interests (referred to collectively herein as, the “Premises”), all of which property, rights and interests are hereby pledged primarily and on a parity with the Real Estate (as defined below) and not secondarily; PROVIDED, HOWEVER, THAT

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NOTWITHSTANDING ANY PROVISION OF THIS MORTGAGE TO THE CONTRARY, THE PREMISES AND OTHER COLLATERAL OF EVERY SORT ENCUMBERED BY THIS MORTGAGE SHALL NOT INCLUDE ANY TENANT SECURITY DEPOSITS WHICH ARE SUBJECT TO ANY APPLICABLE LAW, ORDINANCE, RULE OR REGULATION WHICH PROHIBITS MORTGAGOR FROM ENCUMBERING SUCH SECURITY DEPOSITS, INCLUDING THE CITY OF CHICAGO RESIDENTIAL LANDLORD AND TENANT ORDINANCE:

THE REAL ESTATE owned by Mortgagor located in Cook County, Illinois and legally described on Exhibit A attached hereto and made a part hereof (the "Real Estate");

TOGETHER WITH all improvements of every nature whatsoever now or hereafter situated on the Real Estate, and all fixtures and personal property of every nature whatsoever now or hereafter owned by Mortgagor and located on, or used in connection with the Real Estate or the improvements thereon, or in connection with any construction thereon, including all extensions, additions, improvements, betterments, renewals, substitutions and replacements to any of the foregoing and all of the right, title and interest of Mortgagor in and to any such personal property or fixtures together with the benefit of any deposits or payments now or hereafter made on such personal property or fixtures by Mortgagor or on its behalf ("Improvements");

TOGETHER WITH all easements, rights of way, gores of real estate, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way now or hereafter belonging, relating or appertaining to the Real Estate, and the reversions, remainders, rents, issues and profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, of Mortgagor of, in and to the same;

TOGETHER WITH all rents, revenues, issues, profits, proceeds, income, royalties, accounts, accounts receivable, escrows, security deposits, impounds, reserves, tax refunds and other rights to monies from the Premises and/or the businesses and operations conducted by Mortgagor thereon, to be applied against the Indebtedness (hereinafter defined); provided, however, that Mortgagor, so long as no Event of Default (as hereinafter defined) has occurred hereunder, may collect rent as it becomes due, but not more than one (1) month in advance thereof;

TOGETHER WITH all interest of Mortgagor in all leases now or hereafter on the Premises, whether written or oral ("Leases"); together with all security therefor and all monies payable thereunder, subject, however, to the conditional permission hereinabove given to Mortgagor to collect the rentals under any such Lease;

TOGETHER WITH all fixtures and articles of personal property now or hereafter owned by Mortgagor and forming a part of or used in connection with the Real Estate or the Improvements, including, but without limitation, any and all air conditioners, antennae, appliances, apparatus, awnings, basins, bathtubs, bidets, boilers, bookcases, cabinets, carpets, coolers, curtains, dehumidifiers, disposals, doors, drapes, dryers, ducts, dynamos, elevators,

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engines, equipment, escalators, exercise equipment, fans, fittings, floor coverings, furnaces, furnishings, furniture, hardware, heaters, humidifiers, incinerators, lighting, machinery, motors, ovens, pipes, plumbing, pumps, radiators, ranges, recreational facilities, refrigerators, screens, security systems, shades, shelving, sinks, sprinklers, stokers, stoves, toilets, ventilators, wall coverings, washers, windows, window coverings, wiring, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to the Real Estate or the Improvements in any manner; it being mutually agreed that all of the aforesaid property owned by Mortgagor and placed on the Real Estate or the Improvements, so far as permitted by law, shall be deemed to be fixtures, a part of the realty, and security for the Indebtedness (as hereinafter defined); notwithstanding the agreement hereinabove expressed that certain articles of property form a part of the realty covered by this Mortgage and be appropriated to its use and deemed to be realty, to the extent that such agreement and declaration may not be effective and that any of said articles may constitute goods (as said term is used in the Uniform Commercial Code of the State of Illinois as in effect from time to time, the "Code"), this instrument shall constitute a security agreement, creating a security interest in such goods, as collateral, in Mortgage, as a secured party, and Mortgagor, as Debtor, all in accordance with the Code; and

TOGETHER WITH all of Mortgagor's interests in "general intangibles" (as defined in the Code) now owned or hereafter acquired and related to the Premises, including, without limitation, all of Mortgagor's right, title and interest in and to: (i) all agreements, licenses, permits and contracts to which Mortgagor is or may become a party and which relate to the Premises; (ii) all obligations and indebtedness owed to Mortgagor thereunder; (iii) all intellectual property related to the Premises; and (iv) all choses in action and causes of action relating to the Premises;

TOGETHER WITH all of Mortgagor's "accounts" (as defined in the Code) now owned or hereafter created or acquired as relate to the Premises, including, without limitation, all of the following now owned or hereafter created or acquired by Mortgagor: (i) accounts receivable, contract rights, book debts, notes, drafts, and other obligations or indebtedness owing to the Mortgagor arising from the sale, lease or exchange of goods or other property and/or the performance of services; (ii) the Mortgagor's rights in, to and under all purchase orders for goods, services or other property; (iii) the Mortgagor's rights to any goods, services or other property represented by any of the foregoing; (iv) monies due to become due to the Mortgagor under all contracts for the sale, lease or exchange of goods or other property and/or the performance of services including the right to payment of any interest or finance charges in respect thereto (whether or not yet earned by performance on the part of the Mortgagor); (v) uncertificated securities, and (vi) proceeds of any of the foregoing and all collateral security and guaranties of any kind given by any person or entity with respect to any of the foregoing; and all warranties, guarantees, permits and licenses in favor of Mortgagor with respect to the Premises;

TOGETHER WITH all proceeds of the foregoing, including, without limitation, all judgments, awards of damages and settlements hereafter made resulting from condemnation proceeds or the taking of the Premises or any portion thereof under the power of eminent domain, any proceeds of any policies of insurance, maintained with respect to the Premises or proceeds of any sale, option or contract to sell the Premises or any portion thereof.

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TO HAVE AND TO HOLD the Premises, unto Mortgagee, its successors and assigns, forever, for the purposes and upon the uses herein set forth together with all right to possession of the Premises after the occurrence of any Event of Default; Mortgagor hereby **RELEASING AND WAIVING** all rights under and by virtue of the homestead exemption laws of the State of Illinois.

FOR THE PURPOSE OF SECURING: the obligations and agreements of Mortgagor under the Mortgagor Guaranty, with interest thereon as provided herein or therein (the "Indebtedness").

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. **Title.** Mortgagor represents, warrants and covenants that (a) Mortgagor is the holder of fee simple title to the Premises, free and clear of all liens and encumbrances, except those liens and encumbrances in favor of Mortgagee and the Permitted Exceptions (as defined in the Loan Agreement), and (b) Mortgagor has legal power and authority to mortgage and convey the Premises.

2. **Maintenance, Repair, Restoration, Prior Liens, Parking.** Mortgagor covenants that, so long as any portion of the Indebtedness remains unpaid, Mortgagor will:

a. promptly repair, restore or rebuild, in accordance with Section 6 hereof, any Improvements now or hereafter on the Premises which may become materially damaged or be destroyed to a condition substantially similar to the condition immediately prior to such damage or destruction, 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, construction or like liens or claims or other liens or claims for lien (subject to Mortgagor's right to contest liens as permitted by the terms of Paragraph 28 hereof);

c. pay when due the Indebtedness in accordance with the terms of the Mortgagor Guaranty and duly perform and observe all of the terms, covenants and conditions to be observed and performed by Mortgagor under (i) the Loan Documents and (ii) the Mortgagor Guaranty;

d. pay when due any indebtedness which may be secured by a permitted lien or charge on the Premises on a parity with, superior to or inferior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such lien to the Mortgagee (subject to Mortgagor's right to contest liens as permitted by the terms of Paragraph 28 hereof);

e. comply with all requirements of law, municipal ordinances or restrictions and covenants of record with respect to the Premises and the use thereof;

f. obtain and maintain in full force and effect, and abide by and satisfy the material terms and conditions of, all material permits, licenses, registrations and other

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authorizations with or granted by any governmental authorities that may be required from time to time with respect to the performance of its obligations under this Mortgage;

g. make no material alterations to, the Premises or demolish any material portion of the Premises without Mortgagee's prior written consent, except as required by law or municipal ordinance and except as provided in the Loan Agreement;

h. suffer or permit a change in the use or general nature of the occupancy of the Premises, without the Mortgagee's prior written consent;

i. pay when due all operating costs of the Premises;

j. not initiate or acquiesce in any zoning reclassification with respect to the Premises, without Mortgagee's prior written consent;

k. provide and thereafter maintain adequate parking areas within the Premises as may be required by law, ordinance or regulation (whichever may be greater), if any are so required, together with any sidewalks, aisles, streets, driveways and sidewalk cuts and sufficient paved areas for ingress, egress and right-of-way to and from the adjacent public thoroughfares necessary or desirable for the use thereof; and

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, including, without limitation, Mortgagee shall (i) ensure, and cause each of its subsidiaries to ensure, that no person who owns twenty percent (20.00%) or more of the equity interests in the Mortgagee, or otherwise controls the Mortgagee or any of its subsidiaries is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control ("OFAC"), the Department of the Treasury or included in any Executive Orders, (ii) not use or permit the use of the proceeds of the Loan to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto, and (iii) comply, and cause each of its subsidiaries to comply, with all applicable Bank Secrecy Act laws and regulations, as amended.

3. **Payment of Taxes and Assessments.** Mortgagee 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 against Mortgagee, if applicable to the Premises or any interest therein, or the Indebtedness, or any obligation or agreement secured hereby, subject to Mortgagee's right to contest the same, as provided by the terms hereof; and Mortgagee will, upon written request, furnish to the Mortgagee duplicate receipts therefor within ten (10) days after Mortgagee's request.

4. **Intentionally Omitted.**

5. **Intentionally Omitted.**

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6. Insurance.

a. Mortgagor shall at all times keep all buildings, improvements, fixtures and articles of personal property now or hereafter situated on the Premises insured against loss or damage by fire and such other hazards as may reasonably be required by Mortgagee, in accordance with the terms, coverages and provisions described on Exhibit B attached hereto and made a part hereof, and such other insurance as Mortgagee may from time to time reasonably require. Unless Mortgagor provides Mortgagee reasonable evidence of the insurance coverages required hereunder, Mortgagee may purchase insurance at Mortgagor's expense to cover Mortgagee's interest in the Premises. The insurance may, but need not, protect Mortgagor's interest. The coverages that Mortgagee purchases may not pay any claim that Mortgagor makes or any claim that is made against Mortgagor in connection with the Premises. Mortgagor may later cancel any insurance purchased by Mortgagee, but only after providing Mortgagee with evidence that Mortgagor has obtained insurance as required by this Mortgage. If Mortgagee purchases insurance for the Premises, Mortgagor will be responsible for the costs of such insurance, including, without limitation, interest and any other charges which Mortgagee may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Indebtedness. The cost of the insurance may be more than the cost of insurance Mortgagor may be able to obtain on its own.

b. With respect to those types of insurance where Mortgagee is required to be loss payee or additional insured pursuant to any Loan Document, Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless Mortgagee is included thereon as the loss payee or an additional insured as applicable, under a standard mortgage clause acceptable to Mortgagee and such separate insurance is otherwise acceptable to Mortgagee.

c. In the event of loss, and if after application of Section 6 of that certain Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing made by Mortgagor to Mortgagee, dated as of even date herewith and encumbering the Premises (the "First Mortgage"), there remains any excess insurance proceeds, such excess insurance proceeds shall either (A) (i) if no Event of Default shall have occurred and (ii) Mortgagor has satisfied all of the terms and conditions of Section 3.5 of the Loan Agreement (and for purposes of Section 3.5 of the Loan Agreement, such loss shall constitute a bona fide sale of the Premises to a third party), be received by Mortgagor for Mortgagor's account, or (B) if the conditions set forth in the foregoing Sections 6(c)(A)(i) and (ii) have not been satisfied, be received by Mortgagee and applied to the outstanding principal balance of the Other Notes (plus, if the outstanding principal balance of the Other Notes is repaid in full as a result of the application of such excess insurance proceeds to the Other Notes, the Make Whole Costs under the Loan Agreement) irrespective of whether payment and performance is then due under the Other Notes.

7. Condemnation. In the event all or any part of the Premises are damaged, taken or acquired, either temporarily or permanently, in any condemnation proceeding, or by exercise of the right of eminent domain, and if after application of Section 7 of the First Mortgage there

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remains any excess condemnation award or monies, such excess condemnation award or monies shall either (A) (i) if no Event of Default shall have occurred and (ii) Mortgagor has satisfied all of the terms and conditions of Section 3.5 of the Loan Agreement (and for purposes of Section 3.5 of the Loan Agreement, such condemnation shall constitute a bona fide sale of the Premises to a third party), be received by Mortgagor for Mortgagor's account, or (B) if the conditions set forth in the foregoing Sections 7(A)(i) and (ii) have not been satisfied, be received by Mortgagee and applied to the outstanding principal balance of the Other Notes (plus, if the outstanding principal balance of the Other Notes is repaid in full as a result of the application of such condemnation award or monies to the Other Notes, the Make Whole Costs under the Loan Agreement) irrespective of whether payment and performance is then due under the Other Notes.

8. **Stamp Tax.** If, by the laws of the United States of America, or of any state or political subdivision having jurisdiction over Mortgagor, any tax is due or becomes due in respect of the execution and delivery of this Mortgage or any of the other Loan Documents, Mortgagor shall pay such tax in the manner required by any such law. Mortgagor further agrees to reimburse Mortgagee for any sums which Mortgagee or the Lenders may expend by reason of the imposition of any such tax. Notwithstanding the foregoing, Mortgagor shall not be required to pay any income or franchise taxes of Mortgagee and the Lenders.

9. **Lease Assignment.** In order to further secure the Indebtedness, Mortgagor hereby absolutely and irrevocably assigns and transfers to Mortgagee, all of Mortgagor's right, title and interest in and to the Leases and the rents, subject only to the Permitted Exceptions (as defined in the Loan Agreement); PROVIDED, HOWEVER, THAT SUCH ASSIGNMENT AND TRANSFER SHALL NOT INCLUDE ANY TENANT SECURITY DEPOSITS WHICH ARE SUBJECT TO ANY APPLICABLE LAW, ORDINANCE, RULE OR REGULATION WHICH PROHIBITS MORTGAGOR FROM ENCUMBERING SUCH SECURITY DEPOSITS, INCLUDING THE CITY OF CHICAGO RESIDENTIAL LANDLORD AND TENANT ORDINANCE. Mortgagor hereby appoints Mortgagee its true and lawful attorney-in-fact, with the right, at Mortgagee's option at any time, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, either in Mortgagor's or Mortgagee's name, for all Rents. Notwithstanding the foregoing assignment of Leases and rents, so long as no Event of Default has occurred which remains uncured, Mortgagor shall have a license (such license to be deemed revoked upon the occurrence of an Event of Default) to enter into leases as permitted by Mortgagee pursuant to the Loan Agreement and collect and retain all rents or other consideration in conjunction therewith, subject to applicable subordination, non-disturbance and attornment agreements, provided that the existence or exercise of such right of Mortgagor shall not operate to subordinate this assignment to any subsequent assignment, in whole or in part, by Mortgagor, and any subsequent assignment by Mortgagor shall be subject to the rights of the Mortgagee hereunder. This Assignment shall not be deemed or construed to constitute Mortgagee as a mortgagee in possession nor obligate Mortgagee to take any action or to incur expenses or perform or discharge any obligation, duty or liability. Exercise of any rights under this Section 9 and the application of the rents to the Indebtedness or the Obligations shall not cure or waive any Event of Default.

10. **Effect of Extensions of Time and Other Changes.** If the payment of the Indebtedness or any part thereof is extended or varied, if any part of any security for the payment of the Indebtedness is released, if the rate of interest charged under the Other Notes is changed or

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if the time for payment thereof is extended or varied, all persons now or at any time hereafter liable therefor, or interested in the Premises or having an interest in Mortgagor, shall be held to assent to such extension, variation, release or change and their liability and the lien and all of the provisions hereof shall continue in full force, any right of recourse against all such persons being expressly reserved by Mortgagee and the Lenders, notwithstanding such extension, variation, release or change.

11. **Effect of Changes in Laws Regarding Taxation.** If any law is enacted after the date hereof requiring (a) the deduction of any lien on the Premises from the value thereof for the purpose of taxation, or (b) the imposition upon Mortgagee or any Lender of the payment of the whole or any part of the Taxes, charges or liens herein required to be paid by Mortgagor, or (c) a change in the method of taxation of mortgages or debts secured by mortgages or Mortgagee's interest in the Premises, or the manner of collection of taxes, so as to affect this Mortgage or the Indebtedness or the holders thereof, then Mortgagor, upon demand by Mortgagee, shall pay such Taxes or charges, or reimburse Mortgagee and the Lenders therefor; provided, however, that Mortgagor shall not be deemed to be required to pay any income or franchise taxes of Mortgagee or the Lenders. Notwithstanding the foregoing, if in the opinion of counsel for Mortgagee it is or may be unlawful to require Mortgagor to make such payment or the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then Mortgagee may declare all of the Indebtedness to be immediately due and payable.

12. **Mortgagee's Performance of Defaulted Acts and Expenses Incurred by Mortgagee.** If an Event of Default has occurred, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient by Mortgagee, and may, but need not, make full or partial payments of principal or interest on prior 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 consent to any tax or assessment or cure any default of Mortgagor in any lease of the Premises. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other monies advanced by Mortgagee and/or the Lenders in regard to any tax referred to in Paragraph 8 above or by the Mortgagee to protect the Premises or the lien hereof, shall be so much additional Indebtedness, and shall become immediately due and payable by Mortgagor to Mortgagee, upon demand, and with interest thereon accruing from the date of such demand until paid at the Default Rate (as defined in the Loan Agreement) then in effect. In addition to the foregoing, if an Event of Default has occurred, any costs, expenses and fees, including attorneys' fees, incurred by Mortgagee in connection with (a) sustaining the lien of this Mortgage or its priority, (b) protecting or enforcing any of Mortgagee's rights hereunder, (c) recovering any Indebtedness, (d) any litigation or proceedings affecting the Indebtedness, the Mortgagor Guaranty, this Mortgage, any of the other Loan Documents or the Premises, including without limitation, bankruptcy and probate proceedings, or (e) preparing for the commencement, defense or participation in any threatened litigation or proceedings affecting the Indebtedness, the Mortgagor Guaranty, this Mortgage, any of the other Loan Documents or the Premises, shall be so much additional Indebtedness, and shall become immediately due and payable by Mortgagor to Mortgagee (for the benefit of the Lenders), upon demand, and with interest thereon accruing from the date of such demand until paid at the Default Rate. The interest accruing under this Paragraph 12 shall be immediately due and payable by Mortgagor to Mortgagee, and shall be

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additional Indebtedness evidenced by this Mortgage. The failure to act by Mortgagee or any Lender shall never be considered as a waiver of any right accruing to Mortgagee or the Lenders on account of any Event of Default. Should any amount paid out or advanced by Mortgagee hereunder, or pursuant to any agreement executed by Mortgagor in connection with the Loan, be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any lien or encumbrance upon the Premises or any part thereof, then Mortgagee shall be subrogated to any and all rights, equal or superior titles, liens and equities, owned or claimed by any owner or holder of said outstanding liens, charges and indebtedness, regardless of whether said liens, charges and indebtedness are acquired by assignment or have been released of record by the holder thereof upon payment.

13. **Security Agreement.** Mortgagor and Mortgagee agree that this Mortgage shall constitute a Security Agreement within the meaning of the Code with respect to (a) all sums at any time on deposit for the benefit of Mortgagor or held by the Mortgagee (whether deposited by or on behalf of Mortgagor or anyone else) pursuant to any of the provisions of this Mortgage or the other Loan Documents, and (b) with respect to any personal property included in the granting clauses of this Mortgage, which personal property may not be deemed to be affixed to the Premises or may not constitute a "fixture" (within the meaning of Section 102(41) of the Code) (which property is hereinafter referred to as "Personal Property"), and all replacements of, substitutions for, additions to, and the proceeds thereof, and the "supporting obligations" (as defined in the Code) (all of said Personal Property and the replacements, substitutions and additions thereto and the proceeds thereof being sometimes hereinafter collectively referred to as "Collateral"), and that a security interest in and to the Collateral is hereby granted to the Mortgagee, and the Collateral and all of Mortgagor's right, title and interest therein are hereby assigned to Mortgagee, all to secure payment of the Indebtedness. All of the provisions 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 Paragraph shall not limit the applicability of any other provision of this Mortgage but shall be in addition thereto:

- 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 and have rights in and the power to transfer the Collateral, subject to no liens, charges or encumbrances other than the lien hereof, other liens and encumbrances benefiting Mortgagee and the Lenders and no other party, and liens and encumbrances, if any, expressly permitted by the other Loan Documents.
- b. The Collateral is to be used by Mortgagor solely for business purposes.
- c. The Collateral will be kept at the Real Estate and, except for Obsolete Collateral (as hereinafter defined), will not be removed therefrom without the consent of Mortgagee (being the Secured Party as that term is used in the Code). 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 (for the benefit of the Lenders) and holders of interests, if any, expressly permitted hereby.

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e. No Financing Statement (other than Financing Statements showing Mortgagee as the sole secured party, or with respect to liens or encumbrances, if any, expressly permitted hereby) covering any of the Collateral or any proceeds thereof is on file in any public office except pursuant hereto; and Mortgagor, at its own cost and expense, upon demand, will furnish to Mortgagee such further information and will execute and deliver to Mortgagee such financing statements and other documents in form satisfactory to Mortgagee and will do all such acts as Mortgagee may request at any time or from time to time or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Indebtedness, subject to no other liens or encumbrances, other than liens or encumbrances benefiting Mortgagee and the Lenders and no other party and liens and encumbrances (if any) expressly permitted hereby; and Mortgagor will pay the cost of 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 desirable. Mortgagor 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 comprising a part of the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of the jurisdiction wherein 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 wherein 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 numbers issued to Mortgagor, and in the case of a financing statement filed as a fixture filing or indicating Collateral as 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. In addition, Mortgagor shall make appropriate entries on its books and records disclosing Mortgagee's security interests in the Collateral.

f. Upon an Event of Default hereunder, 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, so far as Mortgagor can give authority therefor, with or without judicial process, may 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); and 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 in satisfaction of Mortgagor's obligations, as provided in the Code. Mortgagee may render the Collateral unusable without removal and may dispose of the Collateral on the Premises. 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 which is reasonably convenient to

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both parties. Mortgagee will give Mortgagor at least ten (10) days' notice of the time and place of any public sale of the Collateral or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by certified United States mail or equivalent, postage prepaid, to the address of Mortgagor hereinafter set forth at least ten (10) days before the time of the sale or disposition. Mortgagee may buy at any public sale. Mortgagee may buy at private sale 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. Any such sale may be held in conjunction with any foreclosure sale of the Premises. If Mortgagee so elects, the Premises and the Collateral may be sold as one lot. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling and the attorneys' fees and legal expenses incurred by Mortgagee, shall be applied against the Indebtedness in such order or manner as Mortgagee shall select. Mortgagee will account to Mortgagor for any surplus realized on such disposition.

g. The terms and provisions contained in this Paragraph 13, unless the context otherwise requires, shall have the meanings and be construed as provided in the Code.

h. This Mortgage is intended to be a financing statement within the purview of Section 9-502(b) 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.

i. 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, BUT NOT INCLUDING ANY TENANT SECURITY DEPOSITS WHICH ARE SUBJECT TO ANY APPLICABLE LAW, ORDINANCE, RULE OR REGULATION WHICH PROHIBITS MORTGAGOR FROM ENCUMBERING SUCH SECURITY DEPOSITS, INCLUDING THE CITY OF CHICAGO RESIDENTIAL LANDLORD AND TENANT ORDINANCE; provided, however, that this security interest does not cover the personal property of such tenants.

j. Mortgagor represents and warrants that:

- i. Mortgagor is the record owner of the Premises;
- ii. Mortgagor's chief executive office is located in the State of Illinois;
- iii. Mortgagor's state of formation is the State of Illinois; and

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iv. Mortgagor's exact legal name is as set forth in the first paragraph of this Mortgage.

k. Mortgagor agrees that:

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

ii. Mortgagor will cooperate with the 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 is paid in full, Mortgagor will not change the state where they are located or change its company name without giving Mortgagee at least thirty (30) days' prior written notice in each instance.

14. Restrictions on Transfer.

a. Mortgagor, without the prior written consent of Mortgagee, shall not effect, suffer or permit any conveyance, sale, lease, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation (or any agreement to do any of the foregoing) of any of the following properties or interests (each, a "Prohibited Transfer"):

i. The Premises or any part thereof or interest therein, excepting only nonmaterial sales or other dispositions of Collateral (herein called "Obsolete Collateral") no longer useful in connection with the operation of the Premises, provided that prior to the sale or other disposition thereof, such Obsolete Collateral has been replaced by Collateral of at least equal value and utility which is subject to the lien hereof with the same priority as with respect to the Obsolete Collateral;

ii. Any shares of capital stock of a corporate Mortgagor, a corporation which is a general partner or managing member/manager in a partnership or limited liability company Mortgagor, or a corporation which is the owner of substantially all of the capital stock of any corporation described in this subparagraph (other than the shares of capital stock of a corporate trustee or a corporation whose stock is publicly traded on a national securities exchange or on the National Association of Securities Dealers' Automated Quotation System);

iii. All or any part of the managing member or manager interest, as the case may be, in a limited liability company Mortgagor or a limited liability company which is a general partner of a partnership Mortgagor;

iv. All or any part of the general partner or joint venture interest, as the case may be, of a partnership Mortgagor or a partnership which is a manager

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of a limited liability company Mortgagor or the conversion of a partnership Mortgagor to a corporation or limited liability company; or

v. If there shall be any change in control (by way of transfers of stock, partnership or member interests or otherwise) in any partner, member, manager or shareholder, as applicable, which directly or indirectly controls the day to day operations and management of Mortgagor or any guarantor of the Note and/or owns a controlling interest in Mortgagor or any guarantor of the Note;

in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly (including the nominee agreement), voluntarily or involuntarily, by operation of law or otherwise; provided, however, that it shall not be considered a Prohibited Transfer and the foregoing provisions of this Paragraph 14 shall not apply (a) to liens securing the Indebtedness, (b) to the lien of current taxes and assessments not in default, (c) to any transfers of the Premises, or part thereof, or interest therein, or any beneficial interests, or shares of stock or partnership or joint venture interests, as the case may be, by or on behalf of an owner thereof for estate planning purposes or who is deceased or declared judicially incompetent, to such owner's heirs, legatees, devisees, executors, administrators, estate or personal representatives, (d) to leases expressly permitted by the terms of this Mortgage or the other Loan Documents, (e) to any transfers of personal property that are part of the Premises, that are made in good faith by Mortgagor in connection with the operation of the Improvements, or (f) to transfers described in Section 14(a)(ii)-(v) above on the condition that (A) Newcastle Limited LLC continues to have more than a fifty percent (50%) controlling ownership interest in and right to appoint the manager of Borrower, (B) Headwall LLC continues to have the right to control the day-to-day business of Newcastle Limited LLC, (C) Michael R. Haney maintains his current position as Chief Executive Officer of Newcastle Limited LLC, and (D) two of the following three individuals maintain their current or similar positions with Newcastle Limited LLC: Peter Tortorello, Senior Vice President and Head of Acquisitions; Kurt Pairitz, Senior Vice President, Construction and Development; and Dan Woodworth, Senior Vice President, Property Management. It shall not be a Prohibited Transfer and Mortgagor shall have the right to designate a new property manager at any time; provided that any such replacement manager has experience managing properties in Chicago, Illinois similar to the Premises.

b. In determining whether or not to make the Loan, Mortgagee evaluated the background and experience of Mortgagor and its partners/members/officers in owning and operating property such as the Premises, found it acceptable and relied and continues to rely upon same as the means of maintaining the value of the Premises which is Mortgagee's security for the Indebtedness. Mortgagor and its partners/members/officers 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 Loan, including but not limited to, the Mortgagor Guaranty and bargained at arm's length and without duress of any kind for all of the terms and conditions of the Loan, including this provision. Mortgagor recognizes that Mortgagee is entitled to keep its loan portfolio at current interest rates by either making new loans at

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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 secondary junior financing placed upon the Premises (a) may divert funds which would otherwise be used to pay the Indebtedness; (b) 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; (c) would detract from the value of the Premises should Mortgagee (for the benefit of the Lenders) come into possession thereof with the intention of selling same; and (d) 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. In accordance with the foregoing and for the purposes of (i) protecting Mortgagee's security, both of repayment and of value of the Premises; (ii) giving Mortgagee the full benefit of its bargain and contract with Mortgagor; (iii) allowing Mortgagee to raise the interest rate and collect assumption fees; and (iv) keeping the Premises free of subordinate financing liens, Mortgagor agrees that if this Paragraph 14 is deemed a restraint on alienation, that it is a reasonable one.

15. **Intentionally Omitted.**

16. **Events of Default: Acceleration.** The term "Event of Default" shall mean the occurrence or happening, from time to time, of any one or more of the events set forth in Article 11 of the Loan Agreement. If an Event of Default occurs, Mortgagee may, at its option, declare the whole of the Indebtedness to be immediately due and payable without further notice to Mortgagor, with interest thereon accruing from the date of such Event of Default until paid at the Default Rate.

17. **Foreclosure; Expense of Litigation.**

a. When all or any part of the Indebtedness shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such Indebtedness or part thereof and/or exercise any right, power or remedy provided in this Mortgage or any of the other Loan Documents in accordance with the Illinois Mortgage Foreclosure Act (Chapter 735, Sections 5/15-1101 et seq., Illinois Compiled Statutes) (as may be amended from time to time, the "Act"). 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 such 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 such insurance policies.

b. In any suit 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, appraisers' fees, outlays for 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 assurances with respect to the title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of

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the Premises. All expenditures and expenses of the nature mentioned in this paragraph and such other expenses and fees as may be incurred in the enforcement of Mortgagor's obligations hereunder, the protection of said Premises and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Notes, the Mortgagor Guaranty or the Premises, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding shall be immediately due and payable by Mortgagor, with interest thereon after written demand for payment until paid at the Default Rate and shall be secured by this Mortgage.

18. **Application of Proceeds of Foreclosure Sale.** The proceeds of any foreclosure sale of the Premises shall be distributed and applied in accordance with the Act and, unless otherwise specified therein, in such order as Mortgagee may determine in its sole and absolute discretion.

19. **Appointment of Receiver.** Upon or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed shall, upon petition by Mortgagee, appoint a receiver for the Premises in accordance with the Act. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the value of the Premises or whether the same shall be then occupied as a homestead or not and Mortgagee hereunder or any other holder of the Indebtedness may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of the Premises (i) during the pendency of such foreclosure suit, (ii) in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, and (iii) during any further times when Mortgagor, but for the intervention of such receiver, would be entitled to collect such rents, issues and profits. Such receiver also shall have all other powers and rights that may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during said period, including, to the extent permitted by law, the right to lease all or any portion of the Premises for a term that extends beyond the time of such receiver's possession without obtaining prior court approval of such lease. The court from time to time may authorize the application of the net income received by the receiver in payment of (a) the Indebtedness, or by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale, and (b) any deficiency upon a sale and deficiency.

20. **Mortgagee's Right of Possession in Case of Default.** At any time after an Event of Default has occurred, Mortgagor shall, upon demand of Mortgagee, surrender to Mortgagee possession of the Premises. Mortgagee, in its discretion, may, with process of law, enter upon and take and maintain possession of all or any part of the Premises, together with all documents, books, records, papers and accounts relating thereto, and may exclude Mortgagor and its employees, agents or servants therefrom, and Mortgagee may then hold, operate, manage and control the Premises, either personally or by its agents. Mortgagee shall have full power to use such measures, legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the Premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent.

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Without limiting the generality of the foregoing, Mortgagee, subject to all requirements in the Act and any other applicable law, shall have full power to:

- a. cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same;
- b. elect to disaffirm any lease or sublease which is then subordinate to the lien hereof;
- c. extend or modify any then existing leases and to enter into new leases, which extensions, modifications and leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the Maturity Date and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the indebtedness, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser;
- d. make any repairs, renewals, replacements, alterations, additions, betterments and improvements to the Premises as Mortgagee deems are necessary;
- e. insure and reinsure the Premises and all risks incidental to Mortgagee's possession, operation and management thereof; and
- f. receive all of such avails, rents, issues and profits.

21. **Application of Income Received by Mortgagee.** Mortgagee, in the exercise of the rights and powers hereinabove conferred upon it, shall have full power to use and apply the avails, rents, issues and profits of the Premises to the payment of or on account of the following, in such order as Mortgagee may determine:

- a. to the payment of the operating expenses of the Premises, including cost of management and leasing thereof (which shall include compensation to Mortgagee and its agent or agents, if management be delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinabove authorized;
- b. to the payment of taxes and special assessments now due or which may hereafter become due on the Premises; and
- c. to the payment of any Indebtedness, including any deficiency which may result from any foreclosure sale.

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

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a. If any provision in this Mortgage shall be inconsistent with any provision of the Act, provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act.

b. If any provision of this Mortgage shall grant to Mortgagee (including Mortgagee acting as a mortgagee-in-possession) or a receiver appointed pursuant to the provisions of Paragraph 19 of this Mortgage any powers, rights or remedies prior to, upon or following the occurrence of an Event of Default which are more limited than the powers, rights or remedies that would otherwise be vested in Mortgagee or in such receiver under the Act in the absence of said provision, Mortgagee and such receiver shall be vested with the powers, rights and remedies granted in the Act to the full extent permitted by law.

c. Without limiting the generality of the foregoing, all expenses incurred by Mortgagee which are of the type referred to in Section 5/15-1510 or 5/15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in Paragraph 12, 17 or 29 of this Mortgage, shall be added to the Indebtedness and/or by the judgment of foreclosure.

23. **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 under this Mortgage, the Mortgagor Guaranty or 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 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 Event of Default or acquiescence therein.

24. **Mortgagee's Right of Inspection.** Mortgagee and its representatives shall have the right to inspect the Premises and the books and records with respect thereto at all reasonable times upon not less than twenty-four (24) hours prior notice to Mortgagor, and access thereto, subject to the rights of tenants in possession, shall be permitted for that purpose.

25. **Release Upon Payment and Discharge of Mortgagor's Obligations.** Mortgagee shall promptly release this Mortgage and the lien hereof by proper instrument upon payment and discharge of all Indebtedness, including payment of all reasonable expenses incurred by Mortgagee in connection with the execution of such release.

26. **Notices.** Any notices, communications and waivers under this Mortgage shall be in writing and shall be (a) delivered in person, (b) mailed, postage prepaid, either by registered or certified mail, return receipt requested, (c) sent by overnight express carrier, or (d) sent via e-mail, with a hardcopy of such notice, communication or waiver (as applicable) sent on the same day via one of the other methods described in clauses (a)-(c) above, addressed in each case as follows:

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To Mortgagee: The PrivateBank and Trust Company
 120 South LaSalle Street
 Chicago, Illinois 60603
 Attn: Maria Alexakis
 E-Mail: malexakis@ThePrivateBank.com

With a copy to: Katten Muchin Rosenman LLP
 525 W. Monroe Street
 Chicago, Illinois 60661
 Attn: Marcy Sullivan, Esq.
 E-Mail: marcia.sullivan@kattenlaw.com

To Mortgagor: Honey Pie LLC
 c/o Newcastle Limited LLC
 150 N Michigan Ave., Suite 3610
 Chicago, Illinois 60601
 Attn: Michael R. Haney
 E-Mail: mhaney@newcastlelimited.com

With copy to: Seyfarth Shaw LLP
 131 South Dearborn Street, Suite 2400
 Chicago, Illinois 60603
 Attn: Alvin L. Kruse
 E-Mail: akruse@seyfarth.com

or to any other address as to any of the parties hereto, as such party shall designate in a written notice to the other party hereto. All notices sent pursuant to the terms of this Section shall be deemed received (i) if personally delivered, then on the date of delivery, (ii) if sent by overnight, express carrier, then on the next Business Day immediately following the day sent, (iii) if sent by registered or certified mail, then on the earlier of the third federal banking day following the day sent or when actually received, or (iv) if sent by e-mail (with a hardcopy to follow as required above), then on the date specified in clauses (i)-(iii) above with respect to the method used to send the hardcopy.

27. **Waiver of Rights.** Mortgagor hereby covenants and agrees that to the extent permitted by law, it will not at any time insist upon or plead, or in any manner claim or take any advantage of, any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time 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 marshalling thereof, upon foreclosure sale or other enforcement hereof; and without limiting the foregoing:

a. Mortgagor hereby expressly waives any and all rights of reinstatement and redemption, 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 hereof that any and all

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such rights of reinstatement and 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 remedy herein or otherwise granted or delegated to the Mortgagee and/or the Lenders 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 paragraph (including the waiver of reinstatement and redemption rights) were made at the express direction of Mortgagor's beneficiaries and the persons having the power of direction over Mortgagor, and are made on behalf of the trust estate of Mortgagor and all beneficiaries of Mortgagor, as well as all other persons mentioned above.

28. **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', materialmen's or other liens or claims for lien upon the Premises (all herein called "Contested Liens"), and no Contested Liens 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 either pay under protest or deposit with Mortgagee the full amount (herein called "Lien Amount") of such Contested Lien, together with such amount as Mortgagee may reasonably estimate as interest or penalties which 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;

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, in so doing, including reasonable fees and expenses of Mortgagee's counsel (all of which shall constitute so much additional Indebtedness 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 and unappealable, or (ii) forthwith upon demand by Mortgagee if, in the opinion 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

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to, pay all such Contested Liens and Lien Amounts and interest and penalties thereon and such other sums as may be necessary in the reasonable judgment of the 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 bearing interest at the Default Rate until paid, and payable upon demand; and provided further that Mortgagee may in such case use and apply monies deposited as provided in subsection (b) above and may demand payment upon any bond or title indemnity furnished as aforesaid.

29. Expenses Relating to the Indebtedness and Mortgage.

a. Mortgagor will pay all expenses, charges, costs and fees relating to the Indebtedness or necessitated by the terms of this Mortgage or the Mortgagor Guaranty, including without limitation, Mortgagee's reasonable attorneys' fees in connection with the negotiation, documentation, administration, servicing and enforcement of this Mortgage and the Mortgagor Guaranty, all filing, registration and recording fees, all other expenses incident to the execution and acknowledgment of this Mortgage and all federal, state, county and municipal taxes, and other taxes (provided Mortgagor shall not be required to pay any income or franchise taxes of Mortgagee), duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage and the Mortgagor Guaranty. Mortgagor recognizes that, during the term of this Mortgage, Mortgagee:

i. May be involved in court or administrative proceedings, including, without restricting the foregoing, foreclosure, probate, bankruptcy, creditors' arrangements, insolvency, housing authority and pollution control proceedings of any kind, to which Mortgagee shall be a party by reason of this Mortgage or the Mortgagor Guaranty or in which this Mortgage, the Mortgagor Guaranty or the Premises are involved directly or indirectly;

ii. May make preparations following the occurrence of an Event of Default hereunder for the commencement of any suit for the foreclosure hereof, which may or may not be actually commenced;

iii. May make preparations following the occurrence of an Event of Default hereunder for, and do work in connection with, Mortgagee's taking possession of and managing the Premises, which event may or may not actually occur;

iv. May make preparations for and commence other private or public actions to remedy an Event of Default hereunder, which other actions may or may not be actually commenced;

v. May enter into negotiations with Mortgagor or any of its agents, employees or attorneys in connection with the existence or curing of any Event of Default hereunder, the sale of the Premises, the assumption of liability for any of the Indebtedness or the transfer of the Premises in lieu of foreclosure; or

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vi. May enter into negotiations with Mortgagor or any of its agents, employees or attorneys pertaining to Mortgagee's approval of actions taken or proposed to be taken by Mortgagor which approval is required by the terms of this Mortgage.

b. All expenses, charges, costs and fees described in this Paragraph 29 shall be so much additional Indebtedness, shall bear interest from the date written demand for payment is made until paid at the Default Rate and shall be paid, together with said interest, by Mortgagor forthwith upon demand.

30. **Financial Statements.** Mortgagor represents and warrants that the financial statements for Mortgagor and the Premises previously submitted to Mortgagee are true, complete and correct in all material respects, disclose all actual and contingent liabilities of Mortgagor or relating to the Premises and do not contain any untrue statement of a material fact or omit to state a fact material to such financial statements. No material adverse change has occurred in the financial condition of Mortgagor or the Premises from the dates of said financial statements until the date hereof. Mortgagor shall furnish to Mortgagee such financial information regarding Mortgagor, the Premises and any guarantor of the Indebtedness as required under this Mortgage and the Mortgagor Guaranty.

31. **Statement of Indebtedness.** Mortgagor, within seven (7) days after being so requested by Mortgagee, shall furnish a duly acknowledged written statement setting forth the amount of the then principal balance secured by this Mortgage, the date to which interest has been paid and stating either that no offsets or defenses exist against such principal balance or, if such offsets or defenses are alleged to exist, the nature thereof.

32. **Further Instruments.** Upon request of Mortgagee, Mortgagor and at no material out of pocket cost to Mortgagor, shall execute, acknowledge and deliver all such additional instruments and further assurances of title and shall do or cause to be done all such further acts and things as may reasonably be necessary fully to effectuate the intent of this Mortgage and the Mortgagor Guaranty.

33. **Additional Indebtedness Secured.** All persons and entities with any interest in the Premises or about to acquire any such interest should be aware that this Mortgage secures more than the Indebtedness and interest thereon; this Mortgage secures any and all other amounts which may become due in connection with the Indebtedness, or any other document or instrument evidencing, securing or otherwise affecting the Indebtedness, including, without limitation, any and all amounts expended by Mortgagee to operate, manage or maintain the Premises or to otherwise protect the Premises or the lien of this Mortgage.

34. **Indemnity.** Mortgagor hereby covenants and agrees that no liability shall be asserted or enforced against Mortgagee or the Lenders in the exercise of the rights and powers granted to Mortgagee and/or the Lenders in this Mortgage, and Mortgagor hereby expressly waives and releases any such liability. Mortgagor shall indemnify and save Mortgagee harmless from and against any and all liabilities, obligations, losses, damages, claims, costs and expenses (including attorneys' fees and court costs) (collectively, "Claims") of whatever kind or nature which may be imposed on, incurred by or asserted against Mortgagee and/or the Lenders at any

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time by any third party which relate to or arise from: (a) any suit or proceeding (including probate and bankruptcy proceedings), or the threat thereof, in or to which Mortgagee and/or the Lenders may or does become a party, either as plaintiff or as a defendant, by reason of this Mortgage or for the purpose of protecting the lien of this Mortgage; (b) the offer for sale or sale of all or any portion of the Premises; and (c) the ownership, leasing, use, operation or maintenance of the Premises, if such Claims relate to or arise from actions taken prior to the surrender of possession of the Premises to Mortgagee in accordance with the terms of this Mortgage; provided, however, that Mortgagor shall not be obligated to indemnify or hold Mortgagee or the Lenders harmless from and against any Claims directly arising from the gross negligence or willful misconduct of Mortgagee or the Lenders. All costs provided for herein and paid for by Mortgagee or the Lenders shall be so much additional Indebtedness and shall become immediately due and payable upon demand by Mortgagee and with interest thereon from the date of written demand for payment by Mortgagee or the Lenders, as applicable, until paid at the Default Rate.

35. **Subordination of Property Manager's Lien.** Any property management agreement for the Premises which Mortgagee has previously entered into or may hereafter enter into 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, without penalty or cost, 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 any 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, 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.

36. **Compliance with Environmental Laws.** Mortgagor acknowledges that concurrently herewith Mortgagor has executed and delivered to Mortgagee (for the benefit of the Lenders) an Environmental Indemnity Agreement ("Indemnity") pursuant to which Mortgagor, the Other Borrowers and Guarantor (as defined in the Loan Agreement) have indemnified Mortgagee and the Lenders for certain environmental matters concerning the Premises, as more particularly described therein. The provisions of the Indemnity are hereby incorporated herein and this Mortgage shall secure the obligations of Mortgagor thereunder. Mortgagor agrees to abide by all of the provisions of the Indemnity.

37. **Intentionally Omitted.**

38. **Miscellaneous.**

a. **Successors and Assigns.** This Mortgage and all provisions hereof shall be binding upon and enforceable against Mortgagor and its assigns and other successors. This Mortgage and all provisions hereof shall inure to the benefit of Mortgagee (for the

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benefit of the Lenders), its successors and assigns and any holder or holders, from time to time, of the Indebtedness.

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

c. **Municipal Requirements.** Mortgagor shall not by act or omission permit any building or other improvement on premises not subject to the lien of this Mortgage to rely on the Premises or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and Mortgagor hereby assigns to Mortgagee (for the benefit of the Lenders) any and all rights to give consent for all or any portion of the Premises or any interest therein to be so used. Similarly, no building or other improvement on the Premises shall rely on any premises not subject to the lien of this Mortgage or any interest therein to fulfill any governmental or municipal requirement. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this subparagraph shall be void.

d. **Rights of Tenants.** Mortgagee shall have the right and option to commence a civil action to foreclose this Mortgage and to obtain a decree of foreclosure and sale subject to the rights of any tenant or tenants of the Premises having an interest in the Premises prior to that of Mortgagee. The failure to join any such tenant or tenants of the Premises as party defendant or defendants in any such civil action or the failure of any decree of foreclosure and sale to foreclose their rights shall not be asserted by Mortgagor as a defense in any civil action instituted to collect the Indebtedness, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Premises, any statute or rule of law at any time existing to the contrary notwithstanding.

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

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

g. **Relationship of Mortgagee and Mortgagor.** Neither Mortgagee nor any Lender shall be construed for any purpose to be a partner, joint venturer, agent or

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associate of Mortgagor or of any lessee, operator, concessionaire or licensee of Mortgagor in the conduct of their respective businesses, and, without limiting the foregoing, neither Mortgagee nor any Lender shall be deemed to be such partner, joint venturer, agent or associate on account of Mortgagee becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage, the Mortgagor Guaranty, or otherwise. The relationship hereunder of Mortgagor, on the one hand, and Mortgagee and the Lenders, on the other hand, is solely that of debtor/creditor.

h. **Time of the Essence.** Time is of the essence of the payment and performance by Mortgagor of the Indebtedness.

i. **No Merger.** The parties hereto intend that the 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.

j. **Maximum Indebtedness.** Notwithstanding anything contained herein to the contrary, in no event shall the Indebtedness exceed an amount equal to two times the face amount of the Indebtedness; provided, however, in no event shall Mortgagee be obligated to advance funds in excess of the face amount of the Indebtedness.

k. **Consent to Jurisdiction** TO INDUCE MORTGAGEE TO ACCEPT THE MORTGAGOR GUARANTY, 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 THIS MORTGAGE AND THE MORTGAGOR GUARANTY 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.

l. **Waiver of Jury Trial.** MORTGAGOR AND MORTGAGEE (BY ACCEPTANCE HEREOF), HAVING BEEN REPRESENTED BY COUNSEL EACH KNOWINGLY AND VOLUNTARILY WAIVE 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

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THIS MORTGAGE, AND AGREE 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.

m. **Complete Agreement.** This Mortgage, the Mortgagor Guaranty and the other Loan Documents constitute the complete agreement between the parties with respect to the subject matter hereof and the Loan Documents may not be modified, altered or amended except by an agreement in writing signed by both Mortgagor and Mortgagee.

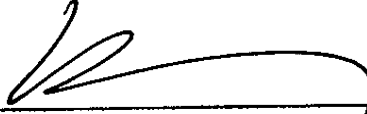
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, Mortgagor has executed and delivered this Mortgage the day and year first above written.

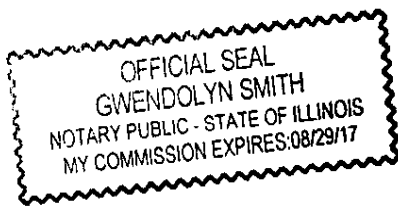
HONEY PIE LLC, an Illinois limited liability company

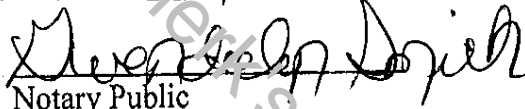
By: 
Michael R. Haney, Manager

STATE OF ILLINOIS)
COUNTY OF Cook) ss.

I, Gwendolyn Smith a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT Michael R. Haney, the Manager of Honey Pie LLC, an Illinois limited liability company, personally known to me, or proved to me on the basis of satisfactory evidence, to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he/she signed and delivered said instrument as his/her own free voluntary act and deed and as the free and voluntary act and deed of said limited liability companies for the uses and purposes therein set forth.

Given my hand and notarial seal this 12 day of December, 2016.




Notary Public

My Commission Expires: 8-29-17

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EXHIBIT A

LEGAL DESCRIPTION OF REAL ESTATE

PARCEL 1:

THE SOUTH HALF OF LOT 12 (EXCEPT THAT PART THEREOF LYING WEST OF THE NORTHERLY EXTENSION OF THE EAST LINE OF LOT 16), AND ALL OF LOTS 17 AND 18, IN BLOCK 38 IN CARPENTER'S ADDITION TO CHICAGO IN SECTION 8, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

EASEMENT IN FAVOR OF PARCEL 1 AS CREATED BY THE PARTY WALL AND EASEMENT AGREEMENT MADE BY CHICAGO TITLE LAND TRUST COMPANY, A CORPORATION OF ILLINOIS, AS TRUSTEE UNDER TRUST AGREEMENT DATED NOVEMBER 16, 1987 AND KNOWN AS TRUST NUMBER 117572-00 TO HONEY PIE LLC, AN ILLINOIS LIMITED LIABILITY COMPANY, DATED 12/16/16 AND RECORDED 12/16/16 AS DOC NO. 1635115114, FOR THE FOLLOWING PURPOSES: A) TO USE THE PARTY WALL, AS DEFINED THEREIN, BELOW AND ABOVE THE SURFACE OF THE GROUND AND ALONG THE WHOLE LENGTH OF THE BUILDING PRESENTLY EXISTING ON PROPERTY A, AS DEFINED THEREIN, B) FOR THE CURRENTLY EXISTING ENCROACHMENTS, AS DEFINED THEREIN, C) FOR EGRESS FROM THE INSURED LAND TO THE EASTERLY PORTION OF THE FOLLOWING TRACT OF LAND: THE SOUTH HALF OF LOT 10, AND ALL OF LOTS 13, 14, 15, AND 16, AND THE SOUTH 1/2 OF LOT 12 LYING WEST OF THE NORTHERLY EXTENSION OF THE EAST LINE OF LOT 16, IN BLOCK 38 IN CARPENTERS' ADDITION AFORESAID; AND D) FOR CURRENTLY EXISTING UTILITY SERVICES FOR THE INSURED LAND OVER PROPERTY A, AS DEFINED THEREIN, AND FOR ACCESS OVER PROPERTY A, AS DEFINED THEREIN, FOR THE MAINTENANCE AND REPAIR OF SAID UTILITY SERVICES.

Common Address: 832 West Washington Street, Chicago, Illinois

PIN: 17-08-441-006-0000

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EXHIBIT B

INSURANCE REQUIREMENTS

(See attached)

**COOK COUNTY
RECORDER OF DEEDS**

Property of Cook County Clerk's Office

**COOK COUNTY
RECORDER OF DEEDS**

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BORROWER'S INSURANCE REQUIREMENTS

General Information

1. All insurance policies referred to herein shall be in form and substance acceptable to *The PrivateBank*
 2. *The PrivateBank* must receive evidence / certificates of insurance at least **ten (10) business days prior to closing**.
Original primary policies must be provided to *The PrivateBank* as soon as they are available from insurers. Certified copies should be available within 60 to 90 days.
 3. Proof of coverage must be on the following forms:
Commercial Property: **ACORD 18 (2003/10)** - EVIDENCE OF COMMERCIAL PROPERTY INSURANCE form.
Personal Property: **ACORD 27 (2003/10)** EVIDENCE OF PERSONAL PROPERTY INSURANCE form.
Liability Insurance: Must be written on **ACORD 25S** or its equivalent.
 4. All property policies shall contain a standard mortgage clause in favor of *The PrivateBank* and shall provide for a thirty (30) day written notice to *The PrivateBank* of any material change or cancellation. Certificates with disclaimers will NOT be accepted.
 5. The borrower must be the named insured. **HONEY PIE LLC**
 6. Commercial / Personal Property & Builders Risk certificates / Course of Construction (CoC) must show *The PrivateBank* as **Mortgagee and or Lender's Loss Payee** as follows:
***The PrivateBank and Trust Company
Its Successors and/or Assigns
P. O. Box 5034
Troy, MI 48007-5034***
- (*The PrivateBank* may be shown as "**Mortgagee and or Lender's Loss Payee As Their Interests May Appear**" until the insurance agent receives release of interest from the prior lender. At that time, the insurance policies will need to be endorsed to show **The PrivateBank as Mortgagee and or Lender's Loss Payee**.)

7. The property address must be identified as the insured property.

HONEY PIE LLC
832 WEST WASHINGTON STREET
CHICAGO, ILLINOIS 60607

8. All insurance companies must have the following ratings from *AM Best's Rating Guide*:

Policy Rating

A-

Financial Rating

VIII

9. The insurance documentation must be signed by an authorized representative.

Specific Requirements

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- 1 . If the property policy is a blanket policy or limit, The PrivateBank must receive a schedule of the amount allocated to the property / rents or the amounts allocated to the property must be indicated on the certificate.
- 2 . Coverage must be on an "all risk" (Special Perils), 100% replacement cost basis without deduction for foundations and footings, and **WITHOUT** co-insurance. The co-insurance must be waived or an Agreed Amount endorsement must be included and either "**No Co-insurance**" or "**Agreed Amount**" must be indicated on the certificate.
- 3 . Ordinance or Law coverage providing for demolition and increased cost of construction, must be provided and indicated on the certificate.
- 4 . Other coverages such as earthquake, boiler and machinery (which includes the mechanics of the building, such as elevators), and flood will be required when these risks are present.
- 5 . Rent Loss or Business Income coverage shall be in an amount equal to 100% of the projected annual rents or revenue with a minimum period of indemnity of 12 months, or such greater period as The PrivateBank may require. This coverage needs to be written on a Gross Rental Income, Gross Profits or Extended Period of Indemnity form, not on an actual loss sustained basis which may terminate as soon as the premises are tenantable or operational.
- 6 . *The PrivateBank and* HOHEY PIE LLC must be named as Additional Insured for all general liability coverage, with a minimum limit of \$2,000,000 for any one occurrence.