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Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Report Mortgage Fraud
844-768-1713



1833144033

Doc# 1833144033 Fee \$80.00

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

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 11/27/2018 12:43 PM PG: 1 OF 22

The property identified as: **PIN:** 17-10-400-043-1108

Address:

Street: 450 E. Waterside Drive, Unit 1201

Street line 2: Unit 1201

City: Chicago

State: IL

ZIP Code: 60601

Lender:

Borrower: Christina Kotas Cho and Adrian Cho

Loan / Mortgage Amount: \$290,000.00

This property is located within the program area and the transaction is exempt from the requirements of 765 ILCS 77/70 et seq. because the application was taken by an exempt entity.

Certificate number: BD6487AC-4536-439C-8167-53BA532CD597

Execution date: 10/25/2018

RA

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This document was prepared by
and after recording return to:

Jason S. Ornduff, Esq.
Harrison & Held, LLP
333 West Wacker Drive
Suite 1700
Chicago, Illinois 60606

Permanent Tax Index Number:
17-10-400-043-1108 and 1447

Property Address:
450 E. Waterside Drive, #1201
Chicago, Illinois 60601

This space reserved for Recorders use only.

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

This MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING dated October 25, 2018 (the "Mortgage"), is executed by **Christina Kotas Cho and Adrian Cho, husband and wife** (collectively the "Mortgagor"), to and for the benefit of **Kenneth J. Kotas, and his successors, as Trustee of the Kenneth John Kotas Revocable Trust Agreement dated July 1, 2005, and Elizabeth A. Kotas, and her successors, as Trustee of the Elizabeth Ann Kotas Revocable Trust Agreement dated July 1, 2005** (collectively the "Mortgagee").

RECITALS:

A. Mortgagor has agreed to pay to Mortgagee the principal amount of TWO HUNDRED NINETY THOUSAND AND 00/100 DOLLARS (\$290,000) (the "Loan"). The Loan shall be evidenced by that certain Promissory Note of even date herewith (as amended, restated or replaced from time to time, the "Note"), executed by the Mortgagor and made payable to the order of the Mortgagee in the original principal amount of the Loan and due on or before October 25, 2024 (the "Maturity Date"), as provided in the Note, except as may be accelerated or extended pursuant to the terms thereof.

B. A condition precedent to the Mortgagee's extension of the Loan to the Mortgagor is the execution and delivery by the Mortgagor of this Mortgage.

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

GRANTING CLAUSES

To secure the payment of the indebtedness evidenced by the Note and the payment of all amounts due thereunder, and the performance and observance of all covenants and conditions contained in this Mortgage, the Note, and any other documents and instruments now or hereafter executed by Mortgagor or any party related thereto or affiliated therewith to evidence, secure or guarantee the payment of all or any portion of the indebtedness under the Note and any and all renewals, extensions, amendments and replacements of this Mortgage, the Note, and any such other documents and instruments (this Mortgage,

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and any other documents and instruments now or hereafter executed and delivered in connection therewith, and any and all amendments, renewals, extensions and replacements hereof and thereof, being sometimes referred to collectively as the "Loan Instruments" and individually as a "Loan Instrument") (all indebtedness and liabilities secured hereby being hereinafter sometimes referred to as the "Liabilities") Mortgagee does hereby convey, mortgage, assign, transfer, pledge and deliver to Mortgagee the following described property located in Cook County, Illinois subject to the terms and conditions herein:

(A) The real estate and improvements thereon are located in Cook County, Illinois, legally described in Exhibit A attached hereto and made a part hereof (the "Property");

(B) All the improvements and fixtures of every kind or nature now or hereafter situated in the Property, and, to the extent not owned by tenants of the "Mortgaged Property" (as hereinafter defined) and not leased under third-party equipment leases, all machinery, appliances, equipment, furniture and all other personal property of every kind or nature located in or on, or attached to, or used or intended to be used in connection with, or with the operation of the Property, the improvements or fixtures now or hereafter located or to be located in the Property, or in connection with any construction being conducted or which may be conducted thereon, and all extensions, additions, improvements, substitutions and replacements to any of the foregoing ("Improvements");

(C) All building materials and goods which are procured or are to be procured for use on or in connection with the Improvements or the construction of additional Improvements, whether or not such materials and goods have been delivered to the Property ("Materials");

(D) All plans, specifications, architectural renderings, drawings, licenses, permits, soil test reports, other reports of examinations or analyses of the Property or the Improvements, contracts for services to be rendered to Mortgagee or otherwise in connection with the Improvements and all other property, contracts, reports, proposals and other materials now or hereafter existing in any way relating to the Property or the Improvements or the construction of additional Improvements;

(E) All easements, tenements, rights-of-way, vaults, gores of land, streets, ways, alleys, passages, sewer rights, water courses, water rights and powers and appurtenances in any way belonging, relating or appertaining to any of the Property or Improvements, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired ("Appurtenances");

(F) (i) All judgments, insurance proceeds, awards of damages and settlements which may result from any damage to all or any portion of the Property, Improvements or Appurtenances or any part thereof or to any rights appurtenant thereto;

(ii) All compensations, award, damages, claims, rights of action and proceeds of or on account of (a) any damage or taking, pursuant to the power of eminent domain, of the Property, Improvements, Appurtenances or Materials or any part thereof, (b) damage to all or any portion of the Property, Improvements or Appurtenances by reason of the taking, pursuant to the power of eminent domain, of all or any portion of the Property, Improvements, Appurtenances, Materials or of other property, or (c) the alteration of the grade of any street or highway on or about the Property, Improvements, Appurtenances, Materials or any part thereof; and, except as otherwise provided herein, Mortgagee is hereby authorized to collect and receive said awards and proceeds and to give proper receipts and acquittances therefor and, except as otherwise provided herein, to apply the same toward the payment of the indebtedness and other sums secured hereby;

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(iii) All accounts, contract rights, general intangibles, actions and rights in action, including, without limitation, all rights to insurance proceeds and unearned premiums arising from or relating to damage to the Property, Improvements, Appurtenances or Materials; and

(iv) All proceeds, products, replacements, additions, substitutions, renewals and accessions of and to the Property, Improvements, Appurtenances or Materials;

(G) All rents, issues, profits, income and other benefits now or hereafter arising from or in respect of the Property, Improvements or Appurtenances (the "Rents"); it being intended that this Granting Clause shall constitute an absolute and present assignment of the Rents, subject, however, to the conditional permission given to Mortgagee in this Mortgage to collect and use the Rents as provided in this Mortgage;

(H) Any and all leases, licenses and other occupancy agreements now or hereafter affecting the Property, Improvements, Appurtenances or Materials, together with all security therefor and guaranties thereof and all monies payable thereunder, and all books and records owned by Mortgagee which contain evidence of payments made under the leases and all security given therefor (collectively, the "Leases"), subject, however, to the conditional permission given in this Mortgage to Mortgagee to collect the Rents arising under the Leases as provided in this Mortgage;

(I) Any and all after-acquired right, title or interest of Mortgagee in and to any of the property described in the preceding Granting Clauses; and

(J) The proceeds from the sale, transfer, pledge or other disposition of any or all of the property described in the preceding Granting Clauses;

All of the mortgaged property described in the Granting Clauses, together with all real and personal, tangible and intangible property pledged in, or to which a security interest attaches pursuant to, any of the Loan Instruments is sometimes referred to collectively as the "Mortgaged Property." The Rents and Leases are pledged on a parity with the Property and Improvements and not secondarily.

ARTICLE I COVENANTS OF MORTGAGOR

Mortgagor covenants and agrees with Mortgagee as follows:

1.1 Performance under Note, Mortgage and Other Loan Instruments. Mortgagee shall perform, observe and comply with or cause to be performed, observed and complied with in a complete and timely manner all provisions hereof and of the Note, and every other Loan Instrument and every instrument evidencing or securing the Liabilities and will promptly pay or cause to be paid to Mortgagee when due the principal with interest thereon and all other sums required to be paid by Mortgagee or Mortgagee pursuant to the Note, this Mortgage, every other Loan Instrument and every other instrument evidencing or securing the Liabilities.

1.2 General Covenants and Representations. Mortgagee covenants and represents that as of the date hereof and at all times thereafter during the term hereof: (a) Mortgagee is seized of an indefeasible estate in fee simple in that portion of the Mortgaged Property which is real property, and has good and absolute title to it and the balance of the Mortgaged Property free and clear of all liens, security interests, charges and encumbrances whatsoever, other than as set forth on Exhibit B which is attached hereto and made a part hereof ("Permitted Encumbrances"), and has good right, full power and lawful

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authority to mortgage and pledge the Mortgaged Property as provided herein; (b) upon the occurrence of an Event of Default, Mortgagee may, at all times peaceably and quietly enter upon, hold, occupy and enjoy the Mortgaged Property in accordance with the terms hereof; and (c) Mortgagor will maintain and preserve the lien of this Mortgage as a lien on the Mortgaged Property subject only to the Permitted Encumbrances, until the Liabilities have been paid in full.

1.3 Compliance with Laws and Other Restrictions. Mortgagor covenants and represents that the Property and the Improvements and the use thereof presently comply with, and will during the full term of this Mortgage continue to comply in all material respects with, all applicable restrictive covenants, zoning and subdivision ordinances and building codes, licenses, health and environmental laws and regulations and all other applicable laws, ordinances, rules and regulations. Mortgagor shall not operate or maintain the Mortgaged Property in a manner that causes the Mortgaged Property to be in material violation of any such laws, ordinances, rules and regulations. If any federal, state or other governmental body or any court issues any notice or order to the effect that the Mortgaged Property or any part thereof is not in compliance with any such covenant, ordinance, code, law or regulation, Mortgagor will promptly provide Mortgagee with a copy of such notice or order and will immediately commence and diligently perform all such actions as are necessary to comply therewith or otherwise correct such non-compliance; provided, that Mortgagor shall have the right to contest any such alleged noncompliance, provided such contest does not have a material adverse effect on the priority or value of the Mortgaged Property or the lien of this Mortgage. Mortgagor shall not, without the prior written consent of Mortgagee, which consent shall not be unreasonably withheld, delayed or continued, petition for or otherwise seek any change in the zoning ordinances or other public or private restrictions applicable to the Mortgaged Property on the date hereof.

1.4 Taxes and Assessments. Mortgagor shall pay promptly when due all taxes, assessments, rates, dues, charges, fees, fines, impositions, liabilities, obligations, liens and encumbrances of every kind and nature whatsoever now or hereafter imposed, levied or assessed upon or against the Mortgaged Property or any part thereof, or upon or against this Mortgage or the Liabilities or upon or against the interest of Mortgagee in the Mortgaged Property, as well as all taxes, assessments and other governmental charges levied and imposed by the United States of America or any state, county, municipality or other taxing authority upon or in respect of the Mortgaged Property or any part thereof and provide Mortgagee evidence of such payments within ten (10) days thereof.

1.5 Mechanic's and Other Liens. Mortgagor shall not permit or suffer any mechanic's lien or encumbrance (other than any lien for taxes and assessments not yet due) to be created upon or against the Mortgaged Property, provided, however, that Mortgagor may in good faith, by appropriate proceeding, contest the validity, applicability or amount of any asserted lien and, pending such contest, Mortgagor shall not be deemed to be in default hereunder if Mortgagor shall first deposit with Mortgagee a bond, title indemnity or other security satisfactory to Mortgagee in an amount equal to the amount being so contested plus a reasonable estimate of the amount of any additional charges, penalties or expenses arising from or occurring as a result of such contest.

1.6 Insurance and Condemnation.

1.6.1 Hazard Insurance. Mortgagor shall, at its sole expense, obtain for, deliver to, assign to and maintain for the benefit of Mortgagee, until the Liabilities are paid in full, policies of hazard insurance in an amount which shall be not less than one hundred percent (100%) of the full insurable replacement cost of the Mortgaged Property insuring on a replacement cost basis the Mortgaged Property against loss or damage or abatement of rental income, on an "All Risks" form, such insurable hazards, casualties and contingencies as Mortgagee may require, including without limitation,

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fire, windstorm, rainstorm, vandalism, earthquake and flood, if all or any part of the Mortgaged Property shall at any time be located within an area identified by the government of the United States or any agency thereof as having special flood hazards and for which flood insurance is available. Mortgagor shall pay promptly when due any premiums on such insurance policies and on any renewals thereof. The form of such policies and the companies issuing them shall be reasonably acceptable to Mortgagee. If any such policy shall contain a co-insurance clause, the policy or an endorsement thereto shall state the stipulated value of the insured property and the amount of insurance shall exceed the product of the co-insurance clause percentage times said stipulated value. All such policies and renewals thereof shall be held by Mortgagee and shall contain a non-contributory standard mortgagee's endorsement making losses payable to Mortgagee and, as to the Improvements, a lender's loss payable endorsement in favor of Mortgagee. No additional parties shall appear in the mortgagee clause without Mortgagee's prior written consent. In the event of loss, Mortgagor will give immediate written notice to Mortgagee and Mortgagee may make proof of loss if not made promptly by Mortgagor (for which purpose Mortgagor hereby irrevocably appoints Mortgagee as its attorney-in-fact). In the event of the foreclosure of this Mortgage or any other transfer of title to the Mortgaged Property in full or partial satisfaction of the Liabilities, all right, title and interest of Mortgagor in and to all insurance policies and renewals thereof then in force shall pass to the purchaser or grantee. All such policies shall provide that insurer shall not modify, cancel or terminate such policies without at least thirty (30) days' prior written notice to Mortgagee from the insurer. Mortgagor also hereby covenants and agrees that Mortgagor shall give Mortgagee thirty (30) days' written notice of Mortgagor's intent to materially modify or cancel or terminate such policies.

1.6.2 Other Insurance. Mortgagor shall, at its sole expense, obtain for, deliver to, assign to and maintain for the benefit of, Mortgagee, until the Liabilities are paid in full, (i) a general liability insurance policy in an amount reasonably acceptable to Mortgagee, and (ii) such other insurance policies relating to the Mortgaged Property and the use and operation thereof, in such amounts as may be reasonably required by Mortgagee and with such companies and in such form as may be reasonably acceptable to Mortgagee. The policies of insurance referred to in clause (i) above shall contain an endorsement, in form reasonably satisfactory to Mortgagee, naming Mortgagee as an additional insured thereunder.

1.6.3 Adjustment of Loss. Mortgagee is hereby authorized and empowered, at its option, to adjust or compromise any claim under any insurance policies covering or relating to the Mortgaged Property and to collect and receive the proceeds from any such policy or policies (and deposit such proceeds as provided in Paragraph 1.6.5). Mortgagor hereby irrevocably appoints Mortgagee as its attorney-in-fact for the purposes set forth in the preceding sentence. Each insurance company is hereby authorized and directed to make payment of one hundred percent (100%) of all such losses directly to Mortgagee alone. After deducting from such insurance proceeds any reasonable expenses incurred by Mortgagee in the collection and settlement thereof, including, without limitation, reasonable attorneys' and adjusters' fees and charges, Mortgagee shall apply the net proceeds as provided in Paragraph 1.6.5. Mortgagee shall not be responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

1.6.4 Condemnation Awards. Mortgagee shall be entitled to all compensation, awards, damages, claims, rights of action and proceeds of, or on account of, (i) any damage or taking, pursuant to the power of eminent domain, of the Mortgaged Property or any part thereof, (ii) damage to the Mortgaged Property by reason of the taking, pursuant to the power of eminent domain, of other property or of a portion of the Mortgaged Property, or (iii) the alteration of the grade of any street or highway on or about the Mortgaged Property. Mortgagee is hereby authorized, at its option, to commence, appear in and prosecute in its own or Mortgagor's name any action or proceeding relating to any such compensation, awards, damages, claims, rights of action and proceeds and to settle or

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compromise any claim in connection therewith. Mortgagor agrees to execute such further assignments of any compensation awards, damages, claims, rights of action and proceeds as Mortgagee may require.

1.6.5 Repair; Proceeds of Casualty Insurance and Eminent Domain. If all or any part of the Mortgaged Property shall be damaged or destroyed by fire or other casualty or shall be damaged or taken through the exercise of the power of eminent domain or other cause described in Paragraph 1.6.4, Mortgagor shall, if an Event of Default is then existing, have the right, in its sole discretion, to apply the proceeds, awards or other compensation, if any, to the Liabilities. If no Event of Default is then existing, such proceeds, awards or other compensation shall be made available to Mortgagor on the terms and conditions set forth in this Paragraph 1.6.5 to finance the cost of restoration or repair pursuant to a written plan prepared by Mortgagor and reasonably acceptable to Mortgagee. If the amount of proceeds to be made available to Mortgagor pursuant to this Paragraph 1.6.5 is less than the cost of the restoration or repair as reasonably estimated by Mortgagee at any time prior to completion thereof, Mortgagor shall cause to be deposited with Mortgagee the amount of such deficiency within thirty (30) days of Mortgagee's written request therefor (but in no event later than the commencement of the work) and Mortgagor's deposited funds shall be disbursed prior to any such insurance proceeds. If Mortgagor is required to deposit funds under this Paragraph 1.6.5, the deposit of such funds shall be a condition precedent to Mortgagee's obligation to disburse any insurance proceeds held by Mortgagee hereunder. The amount of proceeds, award or compensation which is to be made available to Mortgagor, together with any deposits made by Mortgagor hereunder, shall be held by Mortgagee to be disbursed from time to time into a construction escrow at a title insurance company acceptable to Mortgagee, to pay the cost of repair or restoration either, at Mortgagee's option, to Mortgagor or directly to contractors, subcontractors, material suppliers and other persons entitled to payment in accordance with and subject to such conditions to disbursement as Mortgagee may reasonably impose to assure that the work is fully completed in a good and workmanlike manner and paid for and that no liens or claims arise by reason thereof. Mortgagor shall not be entitled to a credit against any of the Liabilities except and to the extent the funds are applied thereto pursuant to this Paragraph 1.6.5. Mortgagee shall have the right at all times to apply such net proceeds to cure any Event of Default.

1.6.6 Renewal of Policies. At least thirty (30) days prior to the expiration date of any policy evidencing insurance required under Paragraph 1.6, a renewal thereof, substitution therefor, or certificate of insurance evidencing the renewal thereof or substitution therefor satisfactory to Mortgagee shall be delivered to Mortgagee with receipts or other evidence of the payment of any premiums then due on such renewal policy or substitute policy.

1.7 Intentionally Omitted.

1.8 Non-impairment of Mortgagee's Rights. Nothing contained in this Mortgage shall be deemed to limit or otherwise affect any right or remedy of Mortgagee under any provision of this Mortgage or of any statute or rule of law to pay and, upon Mortgagor's failure to pay the same (after notifying Mortgagor and the expiration of any applicable grace periods), Mortgagee may pay any amount required to be paid by Mortgagor under Paragraphs 1.4, 1.5 and 1.6. Mortgagor shall pay to Mortgagee within five (5) days after demand the amount so paid by Mortgagee together with interest at the Default Rate of interest set forth in the Note, and the amount so paid by Mortgagee shall be added to the Liabilities.

1.9 Care of the Mortgaged Property. Mortgagor shall preserve and maintain the Mortgaged Property in good and first class condition and repair. Mortgagor shall not, without the prior written consent of Mortgagee, permit, commit or suffer any waste, impairment or deterioration of the Mortgaged

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Property or of any part thereof, and will not take any action which will increase the risk of fire or other hazard to the Mortgaged Property or to any part thereof.

1.10 Transfer or Encumbrance of the Mortgaged Property. Mortgagor shall not permit or suffer to occur any sale, assignment, conveyance, transfer, mortgage, lease (other than leases made in the ordinary course of business) or encumbrance of, or any contract for any of the foregoing on an installment basis or otherwise pertaining to, the Mortgaged Property, any part thereof, any interest therein, any interest in the beneficial interest in any trust holding title to the Mortgaged Property or any interest in a corporation, partnership or other entity which owns all or part of the Mortgaged Property or such beneficial interest, whether by operation of law or otherwise, without the prior written consent of the Mortgagee having been obtained (i) to the sale, assignment, conveyance, mortgage, lease, option, encumbrance or other transfer and (ii) to the form and substance of any instrument evidencing or contracting for any such sale, assignment, conveyance, mortgage, lease, option, encumbrance or other transfer. Mortgagor shall not, without the prior written consent of the Mortgagee, further assign or permit to be assigned the rents from the Mortgaged Property, and any such assignment without the prior express written consent of the Mortgagee, shall be null and void. Mortgagor shall not permit any interest in any lease of the Mortgaged Property to be subordinated to any encumbrance on the Mortgaged Property other than the Loan Instruments and any such subordination shall be null and void. Mortgagor agrees that in the event the ownership of the Mortgaged Property, any interest therein or any part thereof becomes vested in a person other than Mortgagor, Mortgagee may, without notice to Mortgagor, deal in any way with such successor or successors in interest with reference to this Mortgage, the Note, the Loan Instruments and the Liabilities without in any way vitiating or discharging Mortgagor's liability hereunder or the Liabilities. No sale of the Mortgaged Property, no forbearance to any person with respect to this Mortgage, and no extension to any person of the time for payment of the Note or any other of the Liabilities given by Mortgagee shall operate to release, discharge, modify, change or affect the original liability of Mortgagor, either in whole or in part, except to the extent specifically agreed in writing by Mortgagee.

1.11 Further Assurances. At any time and from time to time, upon Mortgagee's reasonable request, Mortgagor shall make, execute and deliver, or cause to be made, executed and delivered, to Mortgagee, and where appropriate shall cause to be recorded, registered or filed, and from time to time thereafter to be re-recorded, re-registered and re-filed at such time and in such offices and places as shall be deemed desirable by Mortgagee, any and all such further mortgages, security agreements, financing statements, instruments of further assurance, certificates and other documents as Mortgagee may reasonably consider necessary or desirable in order to effectuate or perfect, or to continue and preserve the obligations under, the Note, this Mortgage, any other Loan Instrument and any instrument evidencing or securing the Liabilities, and the lien of this Mortgage as a lien upon all of the Mortgaged Property, whether now owned or hereafter acquired by Mortgagor, and unto all and every person or persons deriving any estate, right, title or interest under this Mortgage, so long as execution of the foregoing will not increase the Liabilities or accelerate their payment.

1.12 Security Agreement and Financing Statements.

(a) Mortgagor (as Loanor) hereby grants to Mortgagee (as creditor and secured party) a security interest under the Uniform Commercial Code as adopted in Illinois (the "Uniform Commercial Code") in all fixtures, machinery, appliances, equipment, furniture and personal property of every nature whatsoever constituting part of the Mortgaged Property, and all proceeds thereof. Mortgagor shall execute any and all documents, including, without limitation, financing statements pursuant to the Uniform Commercial Code, as Mortgagee may request to preserve, maintain and perfect the priority of the lien and security interest created hereby on property which may be deemed personal

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property or fixtures, and shall pay to Mortgagee on demand any reasonable expenses incurred by Mortgagee in connection with the preparation, execution and filing of any such documents. Mortgagor hereby authorizes and empowers Mortgagee and irrevocably appoints Mortgagee the agent and attorney-in-fact of Mortgagor to execute and file, on Mortgagor's behalf, all financing statements and refilings and continuations thereof as Mortgagee deems necessary or advisable to create, preserve and protect such lien. When and if Mortgagor and Mortgagee shall respectively become the Loanor and secured party in any Uniform Commercial Code financing statement affecting the Mortgaged Property (or Mortgagee takes possession of personal property delivered by Mortgagor where possession is the means of perfection of the security interest), then, at Mortgagee's sole election, this Mortgage shall be deemed a security agreement as defined in such Uniform Commercial Code, and the remedies for any of the covenants, terms and conditions of the agreements herein contained shall be as prescribed herein or by general law, or as to such part of the security which is also reflected in such financing statement, by the specific statutory consequences now or hereafter enacted and specified in the Uniform Commercial Code.

(b) Without limitation of the foregoing, if an Event of Default occurs, Mortgagee shall be entitled immediately to exercise all remedies available to it under the Uniform Commercial Code and this Paragraph 1.12. Mortgagor shall, in such event and if Mortgagee so requests, assemble the tangible personal property at Mortgagor's expense, at a convenient place designated by Mortgagee. Mortgagor shall pay all reasonable expenses incurred by Mortgagee in the collection of such indebtedness, including reasonable attorneys' fees and legal expenses, and in the repair of any real estate or other property to which any of the tangible personal property may be affixed. If any notification of intended disposition of any of the personal property is required by law, such notification shall be deemed reasonable and proper if given at least ten (10) days before such disposition. Any proceeds of the disposition of any of the personal property may be applied by Mortgagee to the payment of the reasonable expenses of retaking, holding, preparing for sale and selling the personal property, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be applied by Mortgagee toward the payment of such of the Liabilities, and in such order of application, as Mortgagee may from time to time elect. If an Event of Default occurs, Mortgagee shall have the right to exercise and shall automatically succeed to all rights of Mortgagor with respect to intangible personal property subject to the security interest granted herein to the extent permitted by law and the terms governing such intangible property rights. Any party to any contract subject to the security interest granted herein shall be entitled to rely on the rights of Mortgagee without the necessity of any further notice or action by Mortgagor. Mortgagee shall not by reason of this Mortgage or the exercise of any right granted hereby be obligated to perform any obligation of Mortgagor with respect to any portion of the personal property nor shall Mortgagee be responsible for any act committed by Mortgagor, or any breach or failure to perform by Mortgagor with respect to any portion of the personal property.

1.13 Assignment of Rents. The assignment of rents, income and other benefits contained in Paragraph (G) of the Granting Clauses of this Mortgage shall be an absolute assignment, fully operative without any further action on the part of either party, and, specifically, Mortgagee shall be entitled, at its option, upon the occurrence of an Event of Default hereunder, to all rents, income and other benefits from the Mortgaged Property, whether or not Mortgagee takes possession of such property. Mortgagor hereby further grants to Mortgagee the right effective upon the occurrence of an Event of Default and upon approval by the court if prior to the entry of a judgment of foreclosure and after entry as permitted by law to do any or all of the following, at Mortgagee's option, (i) to enter upon and take possession of the Mortgaged Property for the purpose of collecting the rents, income and other benefits, (ii) to dispossess by the usual summary proceedings any tenant defaulting in the payment thereof to Mortgagee, (iii) to lease the Mortgaged Property or any part thereof, and (iv) to apply the rents, income and other benefits, after payment of all necessary charges and expenses, on account of the Liabilities. Such

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assignment and grant shall continue in effect until the Liabilities are paid in full, the execution of this Mortgage constituting and evidencing the irrevocable consent of Mortgagor, to the extent permitted by law, to the entry upon and taking possession of the Mortgaged Property by Mortgagee pursuant to such grant, whether or not foreclosure proceedings have been instituted. Neither the exercise of any rights under this paragraph by Mortgagee nor the application of any such rents, income or other benefits to payment of the Liabilities shall cure or waive any Event of Default or notice provided for hereunder, or invalidate any act done pursuant hereto or pursuant to any such notice, but shall be cumulative of all other rights and remedies. Notwithstanding the foregoing, so long as no Event of Default has occurred or is continuing, Mortgagor shall have the right and authority to continue to collect the rents, income and other benefits (if any) from said property as they become due and payable but not more than thirty (30) days prior to the due date thereof. The existence or exercise of such right of Mortgagor to collect said rents, income and other benefits shall not operate to subordinate this assignment to any subsequent assignment of said rents, income or other benefits, in whole or in part, by Mortgagor, and any such subsequent assignment by Mortgagor shall be subject to the rights of Mortgagee hereunder.

1.14 Intentionally Omitted.

1.15 Leases Affecting Mortgaged Property.

(a) Mortgagor shall comply with and perform in a complete and timely manner all of its obligations as landlord under all leases affecting the Mortgaged Property or any part thereof. Mortgagor shall give notice to Mortgagee of any default by the lessor under any lease affecting the Mortgaged Property promptly upon the occurrence of such default, but, in any event, in such time to afford Mortgagee an opportunity to cure any such default prior to the lessee having any right to terminate the lease. Each of the leases shall contain a provision requiring the lessee to notify Mortgagee of any default by lessor and granting an opportunity for a reasonable time after such notice to cure such default prior to any right accruing to the lessee to terminate such lease. Mortgagee shall have the right to notify at any time and from time to time any tenant of the Mortgaged Property of any provision of this Mortgage.

(b) The assignment contained in Paragraph (H) of the Granting Clauses shall not be deemed to impose upon Mortgagee any of the obligations or duties of Mortgagor provided in any lease, including, without limitation, any liability under the covenant of quiet enjoyment contained in any lease in the event that any tenant shall have been joined as a party defendant in any action to foreclose this Mortgage and shall have been barred and foreclosed thereby of all right, title and interest and equity of redemption in the Mortgaged Property or any part thereof. Mortgagor hereby acknowledges and agrees that Mortgagor is and will remain liable under such leases to the same extent as though the assignment contained in Paragraph (H) of the Granting Clauses had not been made. Mortgagee disclaims any assumption of the obligations imposed upon Mortgagor under the leases, except as to such obligations which arise after such time as Mortgagee shall have exercised the rights and privileges conferred upon it by the assignment contained in Paragraph (H) of the Granting Clauses and assumed full and indefeasible ownership of the collateral thereby assigned. With respect to the assignment contained in Paragraph (H) of the Granting Clauses, Mortgagor shall, from time to time upon request of Mortgagee, specifically assign to Mortgagee as additional security hereunder, by an instrument in writing in such form as may be approved by Mortgagee, all right, title and interest of Mortgagor in and to any and all leases now or hereafter of or affecting the Mortgaged Property or any part thereof together with all security therefor and all monies payable thereunder, subject to the conditional permission hereinabove given to Mortgagor to collect the rentals under such lease. Mortgagor shall also execute and deliver to Mortgagee any notification, financing statement or other document reasonably required by Mortgagee to perfect the

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foregoing assignment as to any such lease. The provisions of this Paragraph 1.15 shall be subject to the provisions of Paragraph (H) of the Granting Clauses.

1.16 Intentionally Omitted.

1.17 Expenses. Mortgagor shall pay when due and payable, appraisal fees, recording fees, taxes, brokerage fees and commissions, abstract fees, title insurance fees, escrow fees, reasonable attorneys' fees, environmental reports or studies, court costs, documentary and expert evidence, fees of inspecting architects and engineers, and all other costs and expenses of every character which have been incurred or which may hereafter be incurred (in each case as is commercially necessary) by Mortgagee in connection with any of the following:

(a) Any court or administrative proceeding involving the Mortgaged Property or the Loan Instruments to which Mortgagee is made a party by reason of its being a holder of any of the Loan Instruments, including without limitation, bankruptcy, insolvency, reorganization, probate, eminent domain, condemnation, building code and zoning proceedings;

(b) Any court or administrative proceeding or other action undertaken by Mortgagee to enforce any remedy or to collect any indebtedness due under this Mortgage or any of the other Loan Instruments following an uncured event of default thereunder, including, without limitation, a foreclosure of this Mortgage or a public or private sale under the Uniform Commercial Code;

(c) Any remedy exercised by Mortgagee following an uncured Event of Default including foreclosure of this Mortgage and actions in connection with taking possession of the Mortgaged Property or collecting rents assigned hereby;

(d) Any outside professional services rendered in connection with any request by Mortgagor or anyone acting on behalf of Mortgagor that Mortgagee consent to a proposed action which, pursuant to this Mortgage or any of the other Loan Instruments may be undertaken or consummated only with the prior consent of Mortgagee, whether or not such consent is granted; or

(e) Any outside professional services rendered in connection with negotiations undertaken between Mortgagee and Mortgagor or anyone acting on behalf of Mortgagor pertaining to the existence or cure of any default under or the modification or extension of any of the Loan Instruments.

If Mortgagor fails to pay said costs and expenses as above provided, Mortgagee may elect, but shall not be obligated, to pay the costs and expenses described in this Paragraph 1.17, and if Mortgagee does so elect, then Mortgagor will, upon thirty (30) days' notice, reimburse Mortgagee for all such expenses which have been or shall be paid or incurred by it. The amounts paid by Mortgagee in respect of such expenses, together with interest thereon at the Default Rate as set forth in the Note (the "Default Rate") from the date paid by Mortgagee until paid by Mortgagor, shall be added to the Liabilities, shall be immediately due and payable and shall be secured by the lien of this Mortgage and the other Loan Instruments. In the event of foreclosure hereof, Mortgagee shall be entitled to add to the indebtedness found to be due by the court a reasonable estimate of such expenses to be incurred after entry of the decree of foreclosure. To the extent permitted by law, Mortgagor agrees to hold harmless Mortgagee against and from, and reimburse Mortgagee for, all claims, demands, liabilities, losses, damages, judgments, penalties, costs and expenses, including, without limitation, reasonable attorneys' fees which may be imposed upon, asserted against, or incurred or paid by Mortgagee by reason of or in connection with any bodily injury or death or property damage occurring in or upon or about the Mortgaged Property through any cause whatsoever, or asserted against Mortgagee on account of any act performed or omitted

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to be performed hereunder, or on account of any transaction arising out of or in any way connected with the Mortgaged Property, this Mortgage, the other Loan Instruments, any of the indebtedness evidenced by the Note or any of the Liabilities.

1.18 Mortgagee's Performance of Mortgagor's Obligations. 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 Mortgaged Property or consent to any tax or assessment or cure any default of Mortgagor in any lease of the Mortgaged Property. All payments made, whether such payments are regular or accelerated payments, and costs and expenses incurred or paid by Mortgagee in connection therewith shall be due and payable within fourteen (14) days after written demand. The amounts so incurred or paid by Mortgagee, together with interest thereon at the Default Rate from the date paid by Mortgagee until reimbursed by Mortgagor, shall be added to the Liabilities and secured by the lien of this Mortgage and the Loan Instruments. Mortgagee is hereby empowered to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing or observing any covenant, condition or term that Mortgagor has failed to perform or observe, without thereby becoming liable to Mortgagor or any person in possession holding under Mortgagor. Performance or payment by Mortgagee of any obligation of Mortgagor shall not relieve Mortgagor of said obligation or of the consequences of having failed to perform or pay the same and shall not effect the cure of any Event of Default.

1.19 Payment of Superior Liens. To the extent that Mortgagee, after the date hereof, pays any sum due under any provision of law or instrument or document creating any lien superior or equal in priority in whole or in part to the lien of this Mortgage, Mortgagee shall have and be entitled to a lien on the premises equal in parity with that discharged, and Mortgagee shall be subrogated to and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such lien, which shall remain in existence and benefit Mortgagee to secure the Note and all obligations and liabilities secured hereby. Mortgagee shall be subrogated, notwithstanding their release of record, to mortgages, trust deeds, superior titles, vendors' liens, mechanics' and materialmen's liens, charges, encumbrances, rights and equities on the Mortgaged Property to the extent that any obligation under any thereof is paid or discharged with proceeds of disbursements or advances under the Notes or other indebtedness secured hereby.

1.20 Use of the Mortgaged Property. Mortgagor shall not suffer or permit the Mortgaged Property, or any portion thereof, to be used by the public, as such, without restriction or in such manner as might reasonably tend to impair Mortgagor's title to the Mortgaged Property or any portion thereof, or in such manner as might reasonably make possible a claim or claims of easement by prescription or adverse possession by the public, as such, or of implied dedication of the Mortgaged Property or any portion thereof. Mortgagor shall not use or permit the use of the Mortgaged Property or any portion thereof for any unlawful purpose.

1.21 Litigation Involving Mortgaged Property. Mortgagor shall promptly notify Mortgagee of any litigation, administrative procedure or proposed legislative action initiated against Mortgagor or the Mortgaged Property or in which the Mortgaged Property is directly or indirectly involved including any proceedings which seek to (i) enforce any lien against the Mortgaged Property, (ii) correct, change or prohibit any existing condition, feature or use of the Mortgaged Property, (iii) condemn or demolish the Mortgaged Property, (iv) take, by the power of eminent domain, any portion of the Mortgaged Property or any property which would damage the Mortgaged Property, (v) modify the zoning applicable to the

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Mortgaged Property, or (vi) otherwise adversely affect the Mortgaged Property. Mortgagor shall initiate or appear in any legal action or other appropriate proceedings when necessary to protect the Mortgaged Property from damage. Mortgagor shall, upon written request of Mortgagee, represent and defend the interests of Mortgagee in any proceedings described in this Paragraph 1.21 or, at Mortgagee's election, pay the reasonable fees and expenses of any counsel retained by Mortgagee to represent the interest of Mortgagee in any such proceedings.

1.22 Release Upon Payment and Discharge of Mortgagor's Obligations. Mortgagee shall release this Mortgage and the lien hereof by proper instrument upon receipt of Mortgagee's confirmation of payment and discharge of all indebtedness and other obligations secured hereby, including payment of all reasonable expenses incurred by Mortgagee in connection with the execution of such release.

ARTICLE II DEFAULTS

2.1 Event of Default. The term "Event of Default," wherever used in this Mortgage, shall mean any one or more of the following events:

(a) Mortgagor shall fail to pay when due any sums to be paid by Mortgagor hereunder or under the Note or any other indebtedness due and such failure is not cured within five (5) days after Mortgagee gives Mortgagor notice of such Event of Default.

(b) Mortgagor fails to perform or cause to be performed any other obligation or observe any other condition, covenant, term, agreement or provision required to be performed or observed by Mortgagor under the Note, this Mortgage or any of the other Loan Instruments; provided, however, that if such failure by its nature can be cured, then so long as the continued operation and safety of the Mortgaged Property, and the priority, validity and enforceability of the liens created by the Mortgage or any of the other Loan Instruments and the value of the Mortgaged Property are not impaired, threatened or jeopardized, then Mortgagor shall have a period (the "Cure Period") of thirty (30) days after Mortgagor receives written notice of such failure to cure the same and an Event of Default shall not be deemed to exist during the Cure Period, provided further that if Mortgagor commences to cure such failure during the Cure Period and is diligently and in good faith attempting to effect such cure, the Cure Period shall be extended for thirty (30) additional days, but in no event shall the Cure Period be longer than sixty (60) days in the aggregate

(c) An "Event of Default" under the Note or any of the other Loan Instruments.

(d) A material uninsured loss, damage, destruction or taking by eminent domain or other condemnation proceedings of any substantial portion of the Mortgaged Property or any part of the Mortgaged Property which materially impairs any of the intended uses of the Mortgaged Property and with respect to which Mortgagor fails to deposit funds necessary to restore and repair the Mortgaged Property as provided in Paragraph 1.6.5.

(e) The occurrence of a sale, assignment, conveyance, transfer, mortgage, lien or encumbrance of, or execution of a contract for any of the foregoing, in violation of Paragraph 1.10 hereof.

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ARTICLE III REMEDIES

3.1 Acceleration of Maturity. If an Event of Default shall have occurred and is continuing, the Mortgagee may declare the outstanding principal amount of the Note and the interest accrued thereon and any other of the Liabilities to be immediately due and payable, and upon such declaration such principal and interest and other of the Liabilities declared due shall immediately become and be due and payable without further demand or notice; provided however that if Mortgagor files for bankruptcy or makes an assignment for the benefit of creditors, the outstanding principal amount of the Note and the accrued interest thereon and any other of the Liabilities shall immediately and automatically, be immediately due and payable, without notice of any kind.

3.2 Mortgagee's Power of Enforcement. If an Event of Default shall have occurred and is continuing, Mortgagee may, either with or without entry or taking possession as provided in this Mortgage or otherwise, and without regard to whether or not the Liabilities shall have been accelerated, and without prejudice to the right of Mortgagee thereafter to bring an action of foreclosure or any other action for any default existing at the time such earlier action was commenced or arising thereafter, proceed by any appropriate action or proceeding: (a) to enforce payment of the Note and/or any other of the Liabilities or the performance of any term hereof or any of the other Loan Instruments; (b) to foreclose this Mortgage and to have sold, as an entirety or in separate lots or parcels, the Mortgaged Property; and (c) to pursue any other remedy available to it. Mortgagee may take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, or both, as Mortgagee may determine.

3.3 Mortgagee's Right to Enter and Take Possession, Operate and Apply Income.

(a) If an Event of Default shall have occurred and is continuing, and upon approval by the court if prior to the entry of a judgment of foreclosure and after entry as permitted by law, Mortgagor, upon demand of Mortgagee, shall forthwith surrender to Mortgagee the actual possession of the Mortgaged Property and, if and to the extent permitted by law, Mortgagee itself, or by such officers or agents as it may appoint, is hereby expressly authorized to enter and take possession of all or any portion of the Mortgaged Property and may exclude Mortgagor and its agents and employees wholly therefrom and shall have joint access with Mortgagor to the books, papers and accounts of Mortgagor.

(b) If Mortgagor shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof as provided above, Mortgagee may obtain a judgment or decree conferring on Mortgagee the right to immediate possession or requiring Mortgagor to deliver immediate possession of all or part of the Mortgaged Property to Mortgagee. Mortgagor shall pay to Mortgagee, upon demand, all costs and expenses of obtaining such judgment or decree and reasonable compensation to Mortgagee, its attorneys and agents, and all such costs, expenses and compensation shall, until paid, be secured by the lien of this Mortgage.

(c) Upon every such entering upon or taking of possession, Mortgagee, to the extent permitted by law, may hold, store, use, operate, manage and control the Mortgaged Property and conduct the business thereof, and, from time to time:

(i) perform such construction, make all necessary and proper maintenance, repairs, renewals, replacements, additions and improvements thereto and thereon, and purchase or otherwise acquire additional fixtures and personal property;

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- (ii) insure or keep the Mortgaged Property insured;
- (iii) manage and operate the Mortgaged Property and exercise all the rights and powers of Mortgagor, on its behalf or otherwise, with respect to the same;
- (iv) enter into agreements with others to exercise the powers herein granted Mortgagee, all as Mortgagee from time to time may determine; and Mortgagee may collect and receive all the rents, income and other benefits of the Mortgaged Property, including those past due as well as those accruing thereafter; and shall apply the monies so received by Mortgagee, in such priority as Mortgagee may determine, to (1) the payment of interest, principal and other payments due and payable on the Note or pursuant to this Mortgage or to any other of the Liabilities, (2) deposits for taxes and assessments, (3) the payment or creation of reserves for payment of insurance, taxes, assessments and other proper charges or liens or encumbrances upon the Mortgaged Property or any part thereof, and (4) the reasonable compensation, expenses and disbursements of the agents, attorneys and other representatives of Mortgagee; and
- (v) exercise such remedies as are available to Mortgagee under the Loan Instruments or at law or in equity.

Mortgagee shall surrender possession of the Mortgaged Property to Mortgagor only when all amounts then due under any of the terms of this Mortgage shall have been paid and all other defaults have been cured. However, the same right to take possession shall exist if any subsequent Event of Default shall occur.

3.4 Leases. In the Event of Default, Mortgagee is authorized to foreclose this Mortgage subject to the rights, if any, of any or all tenants of the Mortgaged Property, even if the rights of any such tenants are or would be subordinate to the lien of this Mortgage. The failure to make any subordinate tenant a party defendant to any foreclosure proceedings and to foreclose its rights will not be, nor be asserted by Mortgagor, any junior lien holder, any tenant or any other party claiming by, through or under Mortgagor to be, a defense to any such foreclosure proceeding or any other proceedings instituted by Mortgagee to collect the sums secured hereby or to collect any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property.

3.5 Purchase by Mortgagee. Upon any foreclosure sale, Mortgagee may bid for and purchase all or any portion of the Mortgaged Property and, upon compliance with the terms of the sale and applicable law, may hold, retain and possess and dispose of such property in its own absolute right without further accountability.

3.6 Application of Foreclosure Sale Proceeds. The proceeds of any foreclosure sale of the Mortgaged Property or any part thereof received by Mortgagee shall be applied by Mortgagee to the indebtedness secured hereby in such order and manner as Mortgagee may elect in a written notice to Mortgagor given on or before sixty (60) days following confirmation of the sale and in the absence of such election, then first to expenses of sale, then to expenses including reasonable attorneys' fees of the foreclosure proceeding, then to interest and then to principal.

3.7 Application of Indebtedness Toward Purchase. Upon any foreclosure sale, Mortgagee may apply any or all of the indebtedness and other sums due to Mortgagee under the Note, this Mortgage, or any other Loan Instrument or any other of the Liabilities, or any decree in lieu thereof, toward the purchase price.

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3.8 Waiver of Appraisal, Valuation, Stay and Extension Laws. Mortgagor agrees, to the full extent permitted by law, that in case of an Event of Default, neither Mortgagor nor anyone claiming through or under it will set up, claim or seek to take advantage of any appraisal, valuation, stay or extension laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage or the absolute sale of the Mortgaged Property or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser thereat. Mortgagor, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Mortgaged Property marshaled upon any foreclosure of the lien hereof and agrees that Mortgagee or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property in part or as an entirety.

3.9 Receiver - Mortgagee in Possession. If an Event of Default shall have occurred and is continuing, Mortgagee, to the extent permitted by law and without regard to the value of the Mortgaged Property or the adequacy of the security for the indebtedness and of sums secured hereby, shall be entitled as a matter of right and without any additional showing or proof, at Mortgagee's election, to either the appointment by the court of a receiver to enter upon and take possession of the Mortgaged Property and to collect all rents, income and other benefits thereof and apply the same as the court may direct or to be placed by the court into possession of the Mortgaged Property as mortgagee in possession with the same power herein granted to a receiver and with all other rights and privileges of a mortgagee in possession under law. The right to enter and take possession of and to manage and operate the Mortgaged Property, and to collect all rents, income and other benefits thereof, whether by receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law and may be exercised concurrently therewith or independently thereof. Mortgagee shall be liable to account only for such rents, income and other benefits actually received by Mortgagee, whether received pursuant to this Paragraph 3.9 or Paragraph 3.3. Notwithstanding the appointment of any receiver or other custodian, Mortgagee shall be entitled as pledgee to the possession and control of any cash, deposits or instruments at the time held by, or payable or deliverable under the terms of this Mortgage to Mortgagee.

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

3.11 Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting Mortgagor, Mortgagee, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have its claims allowed in such proceedings for the entire amounts due and payable under the Note, this Mortgage, and any other Loan Instrument, at the date of the institution of such proceedings, and for any additional amounts which may become due and payable after such date.

3.12 Mortgagor to Pay the Liabilities in Event of Default; Application of Monies by Mortgagee.

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(a) Upon occurrence and during the continuance of an Event of Default, Mortgagee shall be entitled to sue for and to recover judgment against Mortgagor for the Liabilities due and unpaid together with costs and expenses, including, without limitation, the reasonable compensation, expenses and disbursements of Mortgagee's agents, attorneys and other representatives, either before, after or during the pendency of any proceedings for the enforcement of this Mortgage; and the right of Mortgagee to recover such judgment shall not be affected (other than reducing the then outstanding costs and Liabilities) by any taking of possession or, to the extent permitted by law, foreclosure sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the terms of this Mortgage, or, to the extent permitted by law, the foreclosure of the lien hereof.

(b) In case of a foreclosure sale of all or any part of the Mortgaged Property and of the application of the proceeds of sale to the payment of the Liabilities, Mortgagee, to the extent permitted by law, shall be entitled to enforce all other rights and remedies under the Loan Instruments.

(c) Mortgagor hereby agrees, to the extent permitted by law, that no recovery of any judgment by Mortgagee under any of the Loan Instruments, and no attachment or levy of execution upon any of the Mortgaged Property or any other property of Mortgagor, shall (except as otherwise provided by law) in any way affect the lien of this Mortgage upon the Mortgaged Property or any part thereof or any lien, rights, powers or remedies of Mortgagee hereunder, but such lien, rights, powers and remedies shall continue unimpaired as before until the Liabilities are paid in full.

(d) Any monies collected or received by Mortgagee under this Paragraph 3.12 shall be applied to the payment of reasonable compensation, expenses and disbursements of the agents, attorneys and other representatives of Mortgagee, and the balance remaining shall be applied to the payment of the Liabilities and any surplus, after payment of all of the Liabilities, shall be paid to Mortgagor within a reasonable period of time.

3.13 Delay or Omission. No delay or omission of Mortgagee in the exercise of any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy, or be construed to waive any such Event of Default or to constitute acquiescence therein. Every right, power and remedy given to Mortgagee may be exercised from time to time and as often as may be deemed expedient by Mortgagee.

3.14 Waiver of Default. No waiver of any Event of Default hereunder shall extend to or affect any subsequent or any other Event of Default then existing, or impair any rights, powers or remedies in respect thereof. If Mortgagee (a) grants forbearance or an extension of time for the payment of any sums secured hereby, (b) takes other or additional security for the payment thereof, (c) waives or does not exercise any right granted in the Note, this Mortgage, or any other Loan Instrument, (d) releases any part of the Mortgaged Property from the lien of this Mortgage or any other Loan Instrument, (e) consents to the filing of any map, plat or replat of the Land, (f) consents to the granting of any easement on the Land, or (g) makes or consents to any agreement changing the terms of this Mortgage or subordinating the lien or any charge hereof, no such act or omission shall release, discharge, modify, change or affect the lien of this Mortgage or any other Loan Instrument or the liability under the Note or other Loan Instruments of Mortgagor, Loanor, any subsequent purchaser of the Mortgaged Property or any part thereof, or any maker, co-signer, endorser, surety or guarantor, except as otherwise expressly provided in an instrument or instruments executed by Mortgagee. Except as otherwise expressly provided in an instrument or instruments executed by Mortgagee, no such act or omission shall preclude Mortgagee from exercising any right, power or privilege herein granted or intended to be granted in case of any Event of Default then existing or of any subsequent Event of Default, nor shall the lien of this

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Mortgage be altered thereby, except to the extent of any releases as described in clause (d), above, of this Paragraph 3.14.

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

3.16 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Mortgagee by the Notes, this Mortgage or any other Loan Instrument or any instrument evidencing or securing the Liabilities, is exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or under the Notes or any other Loan Instrument or any instrument evidencing or securing the Liabilities, or now or hereafter existing at law, in equity or by statute.

3.17 Compliance with Illinois Mortgage Foreclosure Law.

(a) If any provision in this Mortgage shall be inconsistent with any provision of the Illinois Mortgage Foreclosure Act (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 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 1.17, 1.18, 3.9 or 3.12 of this Mortgage, shall be added to the Liabilities and/or by the judgment of foreclosure.

ARTICLE IV MISCELLANEOUS PROVISIONS

4.1 Heirs, Successors and Assigns Included in Parties. Whenever Mortgagor or Mortgagee is named or referred to herein, heirs and successors and assigns of such person or entity shall be included, and all covenants and agreements contained in this Mortgage shall bind the successors and assigns of Mortgagor, including any subsequent owner of all or any part of the Mortgaged Property and inure to the benefit of the successors and assigns of Mortgagee. This Paragraph 4.1 shall not be construed to permit an assignment, transfer, conveyance, encumbrance or other disposition otherwise prohibited by this Mortgage.

4.2 Notices. All notices required hereunder shall be in writing, and shall be deemed to have been validly served, given and received (i) if delivered by messenger, when delivered; (ii) if mailed in the

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United States mail, registered or certified, postage prepaid, return receipt requested or certified, postage prepaid, return receipt requested, on the third business day after deposit in the mail, (iii) if telecopied, during normal business hours on a business day, the same business day, otherwise the following business day; or (iv) if delivered by reputable overnight courier, freight prepaid, the business day following delivery to the courier.

Notice to the Mortgagor shall be given to: Christina Kotas Cho and Adrian Cho
450 E. Waterside, #1201
Chicago, Illinois 60601

Notices to the Mortgagee shall be given to: Kenneth J. Kotas and Elizabeth A. Kotas,
as Trustees
194 Sheridan Road
Winnetka, Illinois 60093

With a copy to: Harrison & Held LLP
333 West Wacker Drive
Suite 1700
Chicago, Illinois 60606
Attn: Jason S. Ornduff

or to such other address as any party may designate for itself by like notice.

4.3 Headings. The headings of the articles, sections, paragraphs and subdivisions of this Mortgage are for convenience only, are not to be considered a part hereof, and shall not limit, expand or otherwise affect any of the terms hereof.

4.4 Invalid Provisions. In the event that any of the covenants, agreements, terms or provisions contained in the Note, this Mortgage, or in any other Loan Instrument shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein or in the Note or in any other Loan Instrument (or the application of the covenant, agreement, term held to be invalid, illegal or unenforceable, to persons or circumstances other than those in respect of which it is invalid, illegal or unenforceable) shall be in no way affected, prejudiced or disturbed thereby.

4.5 Changes. Neither this Mortgage nor any term hereof may be changed, waived, discharged or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the release, change, waiver, discharge or termination is sought.

4.6 Governing Law. This Mortgage shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Illinois.

4.7 Required Notices. Mortgagor shall notify Mortgagee promptly of the occurrence of any of the following: (i) receipt of notice from any governmental authority relating to the violation of any rule, regulation, law or ordinance, the enforcement of which would materially and adversely affect the Mortgaged Property; (ii) material default of any tenant (excluding residential tenants) leasing all or any portion of the Mortgaged Property or receipt of any notice from any such lessee claiming that a default by landlord has occurred under the lease; or (iii) commencement of any judicial or administrative proceedings by or against or otherwise adversely affecting Mortgagor or the Mortgaged Property.

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4.9 Conflicts. In the event of any inconsistency or conflict between the terms of the Loan Instruments and this Mortgage, the terms of the Mortgage shall control.

4.10 Submission to Jurisdiction: Waiver of Bond. MORTGAGOR HEREBY CONSENTS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURT LOCATED WITHIN COOK COUNTY, ILLINOIS, AND WAIVES ANY OBJECTION WHICH MORTGAGOR MAY HAVE BASED ON IMPROPER VENUE OR FORUM NON CONVENIENS TO THE CONDUCT OF ANY PROCEEDING IN ANY SUCH COURT.

4.11 JURY WAIVER. MORTGAGOR AND MORTGAGEE KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE IRREVOCABLY THE RIGHT THEY MAY HAVE TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING BASED HEREIN, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THE NOTE, THE INDEBTEDNESS HEREBY SECURED, OR THE MORTGAGED PROPERTY, OR ANY AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith OR ANY COURSE OF CONDUCT OR COURSE OF DEALING IN WHICH MORTGAGEE AND MORTGAGOR ARE ADVERSE PARTIES. THIS PROVISION IS A MATERIAL INDUCEMENT FOR MORTGAGEE IN GRANTING ANY FINANCIAL ACCOMMODATION TO MORTGAGOR.

IN WITNESS WHEREOF, Mortgagor has caused this instrument to be executed, effective as of October 25, 2018.

Christina Kotas Cho

Adrian Cho

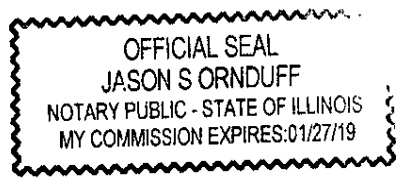
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT Christina Kotas Cho and Adrian Cho, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act, in the stated capacity.

Given under my hand and notarial seal on October 25, 2018.

My Commission Expires: 1/27/19

By:
Notary Public



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EXHIBIT A LEGAL DESCRIPTION

PARCEL 1:

UNIT 1201 AND PARKING SPACE P-269, TOGETHER WITH THE EXCLUSIVE RIGHT TO USE STORAGE SPACE S-109, A LIMITED COMMON ELEMENT IN CHANDLER CONDOMINIUMS AS DELINEATED AND DEFINED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE: LOT 7, EXCEPT THE EAST 16.85 FEET THEREOF (AS MEASURED PERPENDICULARLY TO THE EAST LINE OF SAID LOT 7), IN LAKESHORE EAST SUBDIVISION, BEING A SUBDIVISION OF PART OF THE LANDS LYING EAST OF AND ADJOINING FORT DEARBORN ADDITION TO CHICAGO, SAID ADDITION BEING IN THE SOUTHWEST FRACTIONAL QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SAID LAKESHORE EAST SUBDIVISION RECORDED MARCH 4, 2003 AS DOCUMENT 0030301045, IN COOK COUNTY, ILLINOIS; WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NO. 0719315075 TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS.

PARCEL 2:

NON-EXCLUSIVE EASEMENTS APPURTENANT TO AND FOR THE BENEFIT OF PARCEL 1, INCLUDING EASEMENTS FOR ACCESS TO IMPROVEMENTS BEING CONSTRUCTED OVER TEMPORARY CONSTRUCTION EASEMENT AREAS, FOR PEDESTRIAN AND VEHICULAR INGRESS AND EGRESS ON, OVER, THROUGH AND ACROSS THE STREETS, AND TO UTILIZE THE UTILITIES AND UTILITY EASEMENTS, ALL AS MORE PARTICULARLY DEFINED, DESCRIBED AND CREATED BY DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR LAKESHORE EAST MADE BY AND BETWEEN LAKESHORE EAST LLC, LAKESHORE EAST PARCEL P LLC AND ASN LAKESHORE EAST LLC DATED AS OF JUNE 20, 2002 AND RECORDED JULY 2, 2002 AS DOCUMENT 0020732020, AS AMENDED BY FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR LAKESHORE EAST EXECUTED BY LAKESHORE EAST LLC DATED AS OF MARCH 3, 2003 AND RECORDED MARCH 7, 2003 AS DOCUMENT NUMBER 0030322531 AND AS FURTHER AMENDED BY SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR LAKESHORE EAST EXECUTED BY LAKESHORE EAST LLC DATED AS OF NOVEMBER 18, 2004 AND RECORDED NOVEMBER 19, 2004 AS DOCUMENT NUMBER 0501919099 AND THIRD AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR LAKESHORE EAST EXECUTED BY LAKESHORE EAST LLC, DATED FEBRUARY 24, 2005 AND RECORDED FEBRUARY 25, 2005 AS DOCUMENT NUMBER 0505632009 AND FOURTH AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR LAKESHORE EAST EXECUTED BY LAKESHORE EAST LLC DATED AS OF FEBRUARY 24, 2005 AND RECORDED FEBRUARY 25, 2005 AS DOCUMENT NUMBER 0505632012 AND LAST AMENDED BY THE FIFTH AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR LAKESHORE EAST EXECUTED BY LAKESHORE EAST LLC DATED AS OF OCTOBER 27, 2006 AND RECORDED NOVEMBER 9, 2006 AS DOCUMENT 0631333004 AND SUBSEQUENTLY RE-RECORDED ON FEBRUARY 9, 2007 AS DOCUMENT 070404062 AND BY THE SIXTH AMENDMENT TO DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS FOR LAKESHORE EAST EXECUTED BY LAKESHORE EAST LLC DATED AS OF DECEMBER 20, 2007 AND RECORDED DECEMBER 21, 2007 AS DOCUMENT 0735531065.

PARCEL 3:

NON-EXCLUSIVE EASEMENTS APPURTENANT TO AND FOR THE BENEFIT OF PARCEL 1 AS CREATED BY THE DECLARATION OF EASEMENTS, RESERVATIONS, COVENANTS AND RESTRICTIONS RECORDED JULY 12, 2007 AS DOCUMENT NUMBER 0719315076 FOR SUPPORT, COMMON WALLS, CEILINGS AND FLOORS, EQUIPMENT AND UTILITIES, INGRESS AND EGRESS, MAINTENANCE AND ENCROACHMENTS, OVER THE LAND DESCRIBED THEREIN.

Commonly known as: 450 E Waterside Drive Unit 1201, Chicago, IL 60601

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EXHIBIT B
PERMITTED ENCUMBRANCES

Property of Cook County Clerk's Office

COOK COUNTY
RECORDER OF DEEDS

COOK COUNTY
RECORDER OF DEEDS

COOK COUNTY
RECORDER OF DEEDS