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Illinois Anti-Predatory Lending Database Program

Doc#: 2327828081 Fee: \$107.00
Karen A. Yarbrough
Cook County Clerk
Date: 10/05/2023 10:34 AM Pg: 1 of 38

Certificate of Exemption



Report Mortgage Fraud
844-768-1713

The property identified as: **PIN:** 28-18-300-010-0000

Address:

Street: 7120 W 159th Street

Street line 2:

City: Orland Park

State: IL

ZIP Code: 60462

Lender: Revere Tactical Opportunities Reit LLC and Revere Tactical Opportunities Fund IV, LP

Borrower: TF Portfolio II LLC

Loan / Mortgage Amount: \$22,250,000.00

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.

STEWART TITLE
700 E. Diehl Road, Suite 180
Naperville, IL 60563

Certificate number: 40162791-D7C3-4F00-AFC5-FADF3C76FE0E

Execution date: 9/15/2023

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**This Instrument prepared by
and after recording return to:**

Winstead PC
500 Winstead Building
2728 N. Harwood Street
Dallas, Texas 75201

Attention: John Adolph, Esq.

Property Index No(s):
28-18-300-010-0000

TF PORTFOLIO II LLC

TO

**REVERE TACTICAL OPPORTUNITIES REIT, LLC
AND
REVERE TACTICAL OPPORTUNITIES FUND IV, LP
as Lender**

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

Date: As of September 15, 2023

Location: 7120 W. 159th Street, Orland Park, Illinois 60462

County: Cook County

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

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "*Security Instrument*"), made this September 15, 2023, by and among **TF PORTFOLIO II LLC**, an Illinois limited liability company ("*Mortgagor*"), having an office and place of business located at 301 West Grand Avenue, #366, Chicago, Illinois 60654, for the benefit of **REVERE TACTICAL OPPORTUNITIES REIT, LLC**, a Delaware limited liability company ("*Agent*"), for the benefit of Agent and **REVERE TACTICAL OPPORTUNITIES FUND IV, LP**, a Delaware limited partnership, each with an address of 5910 N. Central Expressway, Suite 1600, Dallas, Texas 75206, together with its successors and assigns, as party of the second part, as mortgagee (collectively, "*Lender*").

RECITALS:

WHEREAS, Mortgagor, **ATRE LLC**, an Illinois limited liability company ("*ATRE*"), **CHATHAM 87 OF ILLINOIS LLC**, a Delaware limited liability company ("*Chatham 87*") (Mortgagor, ATRE, and Chatham 87 are jointly and severally, individually and collectively, "*Borrower*"), and Lender are parties to that certain Term Loan and Security Agreement dated the date hereof (as such agreement is amended and in effect from time to time, the "*Loan Agreement*");

WHEREAS, the Loan Agreement provides for Lender to make a loan to Borrower in the principal amount of **TWENTY-TWO MILLION TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$22,250,000.00)** (the "*Loan*");

WHEREAS, the Loan is evidenced by Term Notes dated as of the date hereof (collectively, as such notes may be amended and in effect from time to time, the "*Note*") in the aggregate principal sum of **TWENTY-TWO MILLION TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$22,250,000.00)**, with interest payable from the date thereof at the rates set forth in the Note;

WHEREAS, Mortgagor desires to secure the payment and performance of all of Borrower's obligations under the Note, the Loan Agreement and certain additional Obligations (as defined in Section 1.1) as well as additional indebtedness accruing to the Lender on account of any future payments, advances or expenditures made by Lender pursuant to any of the Loan Documents (as defined in the Loan Agreement) (all of the foregoing defined as the "*Indebtedness*").

IN CONSIDERATION thereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the Obligations, Mortgagor hereby:

(A) Irrevocably, unconditionally, and absolutely grants, bargains, sells, assigns, transfers, pledges, mortgages, warrants, and conveys to Lender (with power of sale to the extent provided by law) for the purposes herein set forth and grants Lender (with power of sale to the extent provided by law) a security interest in, all of Mortgagor's right, title, and interest in the following property (collectively, the "*Collateral*"), upon the terms and conditions hereof and **WITH MORTGAGE COVENANTS**:

(i) That certain tract or parcel of land lying and being in Cook County, Illinois, and being more fully described in Exhibit A attached hereto and by this reference incorporated herein (the "*Premises*");

(ii) Any and all buildings, constructions, and improvements now or hereafter erected or located in or on the Premises, including, but not limited to, all fixtures, attachments, appliances, equipment, machinery, and other articles now owned by Mortgagor or hereafter acquired by Mortgagor and attached or affixed thereto or located thereon (collectively, the "*Improvements*"), together with all appurtenances and additions thereto and betterments, renewals, substitutions, and replacements thereof, all of which shall be deemed and construed to be part of the realty;

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(iii) All right, title, and interest of Mortgagor in and to all items incorporated as part of or attributed or affixed to any of the Premises, Improvements, or other real property included in the Collateral or any other interest of Mortgagor, whether now owned or hereafter acquired, in, to or relating to the Premises, or the Improvements, in such manner that such items are no longer personal property under the laws of the State of Illinois;

(iv) All existing and future appurtenances, privileges, easements, franchises and tenements of the Premises, including all minerals, oil, gas, other hydrocarbons and associated substances, sulphur, nitrogen, carbon dioxide, helium and other commercially valuable substances which may be in, under or produced from any part of the Premises, all development rights and credits, air rights, water, water rights (whether riparian, appropriative or otherwise, and whether or not appurtenant) and water stock, and any Premises lying in the streets, roads or avenues, open or proposed, in front of or adjoining the Premises and Improvements;

(v) All interest, estate or other claims, both in law and in equity, which Mortgagor now has or may hereafter acquire in the property described herein, including without limitation remainders, reversions, homesteads, transferable entitlements and development rights, usage rights (including without limitation drainage, horticultural, mineral, mining, water, oil, gas, and any other rights to produce or share in production), privileges and royalties;

(vi) All easements, rights-of-way, and rights now owned or hereafter acquired by Mortgagor and used or usable in connection with the Premises and the Improvements, or as a means of access thereto, including, without limiting the generality of the foregoing, all rights pursuant to any license, all rights to the non-exclusive use of common drive entries, all water and water rights, and all mineral, mining, oil, and gas rights and rights to produce or share in the production of anything related thereto, together with all tenements, hereditaments, and appurtenances thereof and thereto;

(vii) All right, title, and interest now owned or hereafter acquired by Mortgagor in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Premises, and any and all sidewalks, alleys, and strips and gores of land adjacent to or used in connection with the Premises or the Improvements;

(viii) All of the fixtures and personal property owned by Mortgagor described in Exhibit B attached hereto and by this reference incorporated herein (that is not otherwise owned by any lessee), now owned or hereafter acquired by Mortgagor, and all appurtenances and additions thereto and betterments, renewals, substitutions and replacements thereof; and, all right, title, and interest of Mortgagor, now or hereafter arising, in and to any and all said property is hereby assigned to Lender, together with the benefits of all deposits and payments now or hereafter made thereon by or on behalf of Mortgagor;

(ix) All interests, estates, or other claims or demands in law and in equity which Mortgagor now has or may hereafter acquire in the Collateral;

(x) All accounts and revenues arising from the operation of the Collateral, including those now existing or hereafter created, substitutions therefor, proceeds thereof (whether cash or non-cash, movable or immovable, tangible or intangible) received upon the sale, exchange, transfer, collection or other disposition or substitution thereof and any and all of the foregoing and proceeds therefrom; and

(xi) All proceeds, products, substitutions and accessions of the foregoing, of every type; and

(B) Assigns, sets over, and transfers to Lender (with power of sale to the extent provided by law):

(i) All right, title, and interest of Mortgagor in and to all leases or other occupancy agreements, whether written or oral, covering the Premises, the Improvements, or any portion thereof, now or hereafter existing or entered into (collectively, "*Leases*"), and all right, title, and interest of Mortgagor thereunder, including, without limitation, all guaranties thereof, all cash or security deposits, advance rentals, and all deposits or payments of similar nature; and

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(ii) All rents, issues, profits, royalties, income, and other benefits derived from the Premises or the Improvements or any other portion of the Collateral (collectively, the "**Rents**").

TO HAVE AND TO HOLD the said property with all and singular the rights, members, and appurtenances thereto appertaining, to the only proper use, benefit, and behoof of Lender and its successors and assigns, in fee simple, and Mortgagor hereby covenants that Mortgagor is lawfully seized and possessed of said property, and has a good right to convey it, and it is unencumbered, subject to the matters described in Exhibit C attached hereto and by this reference incorporated herein (the "**Permitted Encumbrances**"); and Mortgagor does by these presents bind Mortgagor and Mortgagor's heirs, executors, administrators, successors and assigns, forever, to warrant and defend the said property, unto Lender and its successors and assigns, against Mortgagor, and against all and every other person or persons shall and will WARRANT AND FOREVER DEFEND.

PROVIDED, that if Mortgagor shall pay or cause to be paid to Lender the Obligations in full at the time and in the manner stated in the Note and in this Security Instrument and other Loan Documents at any time before the sale hereinafter provided for, and shall well and truly perform, comply with and observe each and every covenant, agreement, term and condition of this Security Instrument and of the other Loan Documents, then these presents and the estate granted hereby shall cease, determine and become void, and Lender shall (at the expense of Mortgagor), release and discharge the lien and terminate the security interest of this Security Instrument.

All capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Loan Agreement.

IN FURTHERANCE OF THE FOREGOING, Mortgagor hereby warrants, represents, covenants, and agrees as follows:

ARTICLE I.

OBLIGATIONS

Section 1.1 Obligations. This Security Instrument is executed, acknowledged, and delivered by Mortgagor to secure and enforce the following obligations (collectively, the "**Obligations**"):

- (a) Payment and performance of all obligations of Borrower under the Note;
- (b) Performance of every obligation, covenant, and agreement of Borrower arising under or in connection with this Security Instrument, the Loan Agreement, and all other Loan Documents;
- (c) Payment of all sums advanced pursuant to the terms of this Security Instrument to protect and preserve the Collateral and the lien and security interest hereby created therein;
- (d) Payment of all sums advanced and costs and expenses incurred by Lender in connection with the Obligations, or any part thereof, any renewal, extension or change of or substitution for the Obligations or any part thereof, or the acquisition or perfection of the security therefor, whether made or incurred at the request of Borrower or Lender;
- (e) Payment of all other indebtedness and liabilities and performance of all other obligations of Borrower to Lender arising pursuant to or in connection with this Security Instrument, the Loan Agreement or any other Loan Document;
- (f) All renewals, extensions, amendments, modifications, consolidations, and changes of, or substitutions or replacements for, all or any part of the items described under clauses (a) through (f) above;
- (g) Payment of all sums advanced by Lender to or for the benefit of Borrower contemplated hereby, or to preserve or protect the lien of this Security Instrument or to protect or maintain the priority hereof and any costs and expenses related thereto, and performance of all obligations and covenants herein contained; and

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(h) All judgments, orders, awards and decrees arising from or related to any Obligations secured by this Security Instrument.

Section 1.2 **Future Advances.** Mortgagor covenants and agrees that this Security Instrument shall secure the payment of all loans and advances made pursuant to the terms and provisions of the Loan Agreement, whether such loans and advances are made as of the date hereof or at any time in the future, and whether such future advances are obligatory or are to be made at the option of Lender or otherwise (but not advances or loans made more than 20 years after the date hereof), to the same extent as if such future advances were made on the date of the execution of this Security Instrument and although there may be no advances made at the time of the execution of this Security Instrument and although there may be no other Indebtedness outstanding at the time any advance is made. The lien of this Security Instrument shall be valid as to all Obligations and Indebtedness, including future advances, from the time of its filing of record in the office of the Recorder of Deeds of the County in which the Collateral is located. The total amount of the Obligations or Indebtedness may increase or decrease from time to time, but the total unpaid principal balance of the Obligations (including disbursements which Lender may make under this Security Instrument or any other document or instrument evidencing or securing the Obligations and/or the Indebtedness) at any time outstanding shall not exceed the amount referred to in Section 7.29(a) of this Security Instrument. This Security Instrument shall be valid and shall have priority over all subsequent liens and encumbrances, including statutory liens, except taxes and assessments levied on the Collateral, to the extent of the maximum amount secured hereby.

Section 1.3 **Definitions.** All terms defined in the Loan Agreement are used in this Security Instrument with their defined meanings unless otherwise provided.

ARTICLE II.

REPRESENTATIONS AND WARRANTIES

Mortgagor hereby represents and warrants to Lender as follows:

Section 2.1 **Title.** Mortgagor owns the Premises and improvements in fee simple absolute, and has good and marketable title to the Collateral, free and clear of all liens, charges, encumbrances, and security interests whatsoever, except the Permitted Encumbrances. Mortgagor will forever warrant and defend its title to the Collateral, and the validity, enforceability, and priority of the lien and security interest created hereby, against the claims of all persons.

Section 2.2 **Legal Status and Authority.** Mortgagor is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Delaware and in good standing under the laws of the State of Illinois, and has all necessary approvals, governmental and otherwise, and full power and authority to own its properties (including the Collateral) and carry on its business as now conducted and proposed to be conducted.

Section 2.3 **Validity of Loan Documents.** The execution and delivery, and the performance by Mortgagor of the terms of the Loan Documents (i) are within the power of Mortgagor; (ii) have been authorized by all requisite company action; (iii) will not violate, conflict with, result in a breach of, or constitute (with notice or lapse of time, or both) a default under any provision of law, any order or judgment of any court or governmental authority, or any indenture, agreement, or other instrument to which Mortgagor is a party or by which it or any of its property is or may be bound or affected, and Mortgagor has received all necessary approvals and consents, governmental, or otherwise; (iv) will not result in the creation or imposition of any lien, charge, or encumbrance whatsoever upon any of its properties or assets, except the lien and security interest created hereby; and (v) will not require any authorization or license from, or any filing with, any governmental or other body (except for the filing or recording of this Security Instrument and the other applicable loan documents). The Loan Documents constitute legal, valid, and binding obligations of Mortgagor.

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Section 2.4 Litigation. There is no action, suit, or proceeding, judicial, administrative, or otherwise (including any condemnation or similar proceeding), pending or, to the knowledge of Mortgagor, threatened or contemplated against, or affecting, Mortgagor or the Collateral.

Section 2.5 Status of Collateral.

(a) The Premises and Improvements are not located in an area identified by the Secretary of Housing and Urban Development, or any successor thereto, as an area having special flood, mudslide, and/or flood-related erosion hazards pursuant to the National Flood Insurance Act of 1968 or the Flood Disaster Protection Act of 1973, as amended, or any successor law.

(b) Mortgagor has all necessary certificates, permits, licenses, and other approvals, governmental and otherwise (including all zoning, building code, land use, environmental and similar approvals), necessary for the operation of the Premises and Improvements, all of which are in full force and effect as of the date hereof and all operations conducted thereon are in substantial compliance with such approvals.

(c) The Premises and Improvements, and the present and contemplated use and occupancy thereof, are in compliance with all applicable zoning ordinances, building codes, land use, and other similar laws, in all material respects.

(d) The Premises and Improvements are served by all utilities required for the contemplated use thereof.

(e) There are public roads and streets for ingress/egress to the Premises and Improvements for the contemplated use thereof which are serviceable in all weather, and, where required by the appropriate governmental entities, have been dedicated to and formally accepted by such governmental entities.

(f) Mortgagor has paid in full for, and is the owner of, all furnishings, fixtures, and equipment (other than lessees' property) used in connection with the operation of the Premises, free and clear of any and all security interests, liens, or encumbrances.

(g) There is no proceeding pending for the total or partial condemnation of the Collateral.

(h) All taxes and governmental assessments, water, sewer and municipal charges, if any, that are due and owing as of the date hereof and which, if not paid, would create a lien on or affect the ownership interest of Mortgagor with respect to the Collateral, have been paid.

(i) Mortgagor has not entered into any management agreement concerning the Collateral, and Mortgagor does not have any obligation to pay any management fees in connection with management of the Collateral.

(j) There are no Leases, either oral or written which give any other party a right to occupy all or a portion of the Premises except as set forth on the Rent Roll provided to Lender in connection with the Loan.

ARTICLE III.

COVENANTS AND AGREEMENTS

Mortgagor covenants and agrees with Lender as follows:

Section 3.1 Payment of Obligations. Mortgagor shall pay when due and shall perform the Obligations.

Section 3.2 Continuation of Existence. Mortgagor shall maintain in good standing its existence under the laws of the State of Delaware and Illinois and shall not (i) dissolve, terminate, or otherwise dispose of, directly or indirectly or by operation of law, all or substantially all of its assets; (ii) reorganize, convert or change its

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legal structure without the prior written consent of Lender; or (iii) change its name, the address of its principal offices, or the name under which Mortgagor conducts its business without promptly notifying Lender of such change.

Section 3.3 Taxes, Liens, and Other Charges.

(a) Mortgagor shall provide for payments when due of all taxes, liens, assessments, dues, fines, impositions and public charges, general and special, ordinary and extraordinary, of every character (including penalties and interest), now or hereafter levied or assessed upon or against the Collateral (collectively, the "*Assessments*"). Mortgagor shall also pay (i) all income, franchise, and other taxes and governmental charges levied, assessed, or imposed by the United States of America, or any state, any political subdivision thereof, or any other taxing authority upon Mortgagor or in respect of any of the Collateral which, if unpaid, would become a lien or charge upon the Collateral, or any part thereof; and (ii) all charges made by utility companies, public or private, for services furnished or used in connection with the Collateral (together with the Assessments, collectively, "*Impositions*").

(b) Mortgagor shall pay all taxes (excluding income, franchise, and doing business taxes), assessments, charges, expenses, costs, and fees (including registration and recording fees) levied on, or assessed against Lender, to the extent same are incurred in connection with any of the Loan Documents or the Loan. Mortgagor shall also pay all stamp and other similar taxes required to be paid in connection with the Obligations.

Section 3.4 Defense of Title and Litigation. If the lien or security interest created by this Security Instrument, or the validity, enforceability, or priority thereof or of this Security Instrument, or if title or any of the rights of Mortgagor or Lender in or to the Collateral, shall be endangered or questioned, or shall be attacked directly or indirectly, or if any action or proceeding is instituted against Mortgagor or Lender with respect thereto, Mortgagor will promptly notify Lender thereof and will diligently endeavor to cure any defect which may be claimed, and will take all necessary and proper steps for the defense of such action or proceeding, including the employment of counsel, the prosecution or defense of litigation, and, subject to Lender's approval, the compromise, release, or discharge of any and all adverse claims (which such approval shall not be unreasonably withheld, conditioned, or delayed). Lender (whether or not named as a party to such actions or proceedings) is hereby authorized and empowered (but shall not be obligated) to take such additional steps as it may deem necessary or proper for the defense of any such action or proceeding or the protection of the lien, security interest, validity, enforceability, or priority of this Security Instrument, or of such title or rights, including the employment of counsel, the prosecution or defense of litigation, the compromise, release, or discharge of such adverse claims, the purchase of any tax title, and the removal of such prior liens and security interests. Mortgagor shall, on written demand, reimburse Lender for all expenses (including reasonable attorneys' fees and costs) incurred by it in connection with the foregoing matters. All such costs and expenses of Lender, until reimbursed by Mortgagor, shall be part of the Obligations and shall be deemed to be secured by this Security Instrument.

Section 3.5 Operation and Maintenance of Collateral.

(a) **Repair and Maintenance.** Mortgagor will or will cause any tenant, as to the portions of the Improvement it occupies, to operate and maintain the Premises, the Improvements, and the other Collateral in good order, repair, and operating condition; will promptly make (or cause to be made) all necessary repairs, renewals, replacements, additions, and improvements thereto, interior and exterior, structural and nonstructural, foreseen and unforeseen, or otherwise necessary to ensure that the same as part of the security under this Security Instrument shall not in any way be diminished or impaired; and will not cause or allow any of the Premises, the Improvements, or any other Collateral to be misused or wasted or to deteriorate beyond ordinary wear and tear. No part of the Improvements shall be removed, demolished, or structurally or materially altered, nor shall any new building, structure, facility, or other improvement be constructed on the Premises without Lender's prior written consent or as contemplated in the Loan Agreement.

(b) **Replacement of Collateral.** Mortgagor will keep the Premises and the Improvements fully equipped, and will replace Collateral that is obsolete or not in working order with fixtures or personal property comparable thereto when new, and will not, without Lender's prior written consent, remove from the Premises or the Improvements any fixtures or personalty covered by this Security Instrument unless the same is replaced by Mortgagor with an article of equal suitability and value when new, owned by Mortgagor free and clear of any lien or security interest (other than Permitted Encumbrances).

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(c) Compliance with Laws. Mortgagor will perform and comply promptly with, and cause the Collateral to be maintained, used, and operated in accordance with, any and all (i) present and future laws, ordinances, rules, regulations, and requirements of every duly-constituted governmental or quasi-governmental authority or agency applicable to Mortgagor or the Collateral, subject to the right to undertake a Permitted Protest as provided in the Loan Agreement; (ii) similarly applicable orders, rules, and regulations of any regulatory, licensing, accrediting, insurance underwriting or rating organization, or other body exercising similar functions; (iii) similarly applicable duties or obligations of any kind imposed under any Permitted Encumbrance or otherwise by law, covenant, condition, agreement, or easement, public or private; and (iv) policies of insurance at any time in force with respect to the Collateral. If Mortgagor receives any written notice that Mortgagor or the Collateral is in default under or is not in compliance with any of the foregoing, or written notice of any proceeding initiated under or with respect to any of the foregoing, Mortgagor will promptly furnish a copy of such notice to Lender.

(d) Zoning; Title Matters. Mortgagor will not, without the prior written consent of Lender, (i) initiate or support any zoning reclassification of the Premises or the Improvements, seek any variance under existing zoning ordinances applicable to the Premises or the Improvements, or use or permit the use of the Premises and Improvements in a manner which would require any variance or special use permit under applicable zoning ordinances; (ii) modify, amend, or supplement any of the Permitted Encumbrances; (iii) impose any restrictive covenants or encumbrances upon the Collateral, execute or file any subdivision plat affecting the Premises or the Improvements, or consent to the annexation of the Premises or the Improvements to any municipality; or (iv) permit or suffer the Premises and the Improvements to be used by the public or any person in such manner as might make possible a claim of adverse usage or possession, or of any implied dedication or easement.

(e) No Cooperative or Condominium. Except as is contemplated by the Loan Agreement and herein, Mortgagor shall not operate or permit the Premises or the Improvements to be operated as a cooperative, condominium, or other form of ownership in which the lessees or other occupants thereof participate in the ownership, control, or management of the Premises, Improvements, or any part thereof, as lessees, stockholders, or otherwise.

Section 3.6 Insurance.

(a) Type of Insurance Coverage. Mortgagor shall keep the Premises, the Improvements, and the other Collateral insured for the benefit of Mortgagor, Lender by procuring and maintaining the following types of insurance (to the extent applicable):

(i) comprehensive, "All Risks" property insurance providing "special" form coverage (including, without limitation, riot and civil commotion, vandalism, malicious mischief, water, fire, burglary and theft, sinkhole collapse, windstorm, hail, smoke, aircraft or vehicles, sprinkler leakage, and damage from the weight of ice or snow, and without any exclusion for terrorism) on the Improvements and personal property contained therein and in each case (A) in an amount equal to 100% of the "Full Replacement Cost," which for the purposes of this Security Instrument shall mean actual replacement value (exclusive of costs of excavation, foundations, underground utilities and footings) with a waiver of depreciation; (B) containing an agreed amount endorsement and replacement cost endorsement with respect to the Improvements and personal property contained therein waiving all co-insurance provisions; (C) providing that the deductible not exceed Ten Thousand Dollars (\$10,000.00); and (D) containing Demolition Costs, Increased Cost of Construction and "Ordinance or Law Coverage" or "Enforcement" endorsements in amounts satisfactory to Lender if any of the Improvements or the use of the Collateral shall at any time constitute legal non-conforming structures or uses or the ability to rebuild the Improvements is restricted or prohibited. The Full Replacement Cost may be redetermined from time to time by an appraiser or contractor designated and paid by Lender or by an engineer or appraiser in the regular employ of the insurer. No omission on the part of Lender to request any such appraisals shall relieve Mortgagor of any obligations under this subsection;

(ii) rent or business interruption or use and occupancy insurance, on such basis and in such amounts as shall be satisfactory to Lender, and in any event not less than an amount equal to one (1) year's total income from the Premises and the Improvements, including, but not limited to, all rent and all other income such as lessee reimbursement of operating expenses, with the amount to be determined

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each year based on Mortgagor's reasonable estimate of such income for the succeeding twelve (12) month period together with an 180 day of extended period of indemnity endorsement;

(iii) flood insurance if any portion of the Improvements is currently or at any time in the future located in an area identified by the Secretary of Housing and Urban Development, or any successor, as an area having special flood, mudslide and flood-related erosion hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968 or the Flood Disaster Protection Act of 1973, as amended, modified, supplemented, or replaced from time to time plus any excess limits as required by Lender from time to time;

(iv) commercial general liability insurance on an occurrence basis covering Mortgagor, Lender against claims for bodily injury, death, property damage and personal injury occurring in, upon, or about or resulting from the Premises, the Improvements, or any other Collateral, or any street, drive, sidewalk, curb, or passageway adjacent thereto, in standard form and with such coverages and in such minimum amounts and with such minimum limits as may be acceptable to Lender;

(v) worker's compensation, subject to the statutory limits of the state in which the Premises is located, and employer's liability insurance with a limit of at least \$1,000,000 per accident and per disease per employee, and \$1,000,000 per disease policy limit in respect of any work or operations on or about the Premises, or in connection with the Improvements or any other Collateral or its operation (if applicable);

(vi) such other insurance in such form and in such amounts as may from time to time be required by Lender against other insurable hazards and casualties which at the time are commonly insured against in the case of properties of similar character and location to the Premises and the Improvements.

(b) Form of Policy. All insurance required under this Section shall be continuously maintained in full force and effect, and be nonassessable, and the policies therefor shall contain such clauses and endorsements as Lender shall from time to time request, in its reasonable discretion, including but not limited to clauses or endorsements to the effect that such policies shall not be canceled, terminated or coverage thereunder reduced without the insurer thereunder giving at least thirty (30) days prior written notice to Lender, and shall be in such form and amounts and be issued by such insurance companies doing business in the jurisdiction in which the Premises are located as shall be approved by Lender. All such policies shall have a minimum term of not less than one year. All such policies shall be issued by insurance companies qualified under the laws of the State of Illinois and duly authorized and licensed to transact business in such State and reflecting a claims paying ability rating of "A" or better and a financial class of "IX" or better as determined by A.M. Best Company, Inc. Without limiting the foregoing, the insurance policies provided for in Section 3.6(a) above shall be first payable in case of loss to Lender, and shall contain standard mortgagee clauses and lender's loss payable endorsements in form and substance acceptable to Lender, and shall also contain a waiver of subrogation clause. The insurance policies provided for in Section 3.6(a) above shall name Lender as an additional insured.

(c) Original Policies. Mortgagor shall deliver to Lender original or certified copies of policies evidencing the insurance required under Section 3.6(a) above. Mortgagor shall also deliver to Lender originals or certified copies of any and all renewal policies at least thirty (30) days prior to the expiration of each such policy. If original policies and renewal policies are unavailable or if such coverage is under a blanket policy, Mortgagor shall deliver to Lender duplicate originals of such policies or, if unavailable, certificates from the issuing insurance companies evidencing that such policies are in full force and effect, together with certified copies of the original policies.

(d) Transfer of Title. In the event of foreclosure of this Security Instrument or other transfer of title or assignment of the Premises and the other Collateral in extinguishment, in whole or in part, of the Obligations, all right, title, and interest of Mortgagor in and to all policies of insurance required under this Section or otherwise then in force with respect thereto, and all proceeds payable thereunder and unearned premiums thereon, shall immediately vest in the purchaser or other transferee of the Premises and the other Collateral.

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(e) Approval Not Warranty. No approval by Lender of any insurer shall be construed to be a representation, certification, or warranty of its solvency, and no approval by Lender as to the amount, type, and/or form of any insurance shall be construed to be a representation, certification, or warranty of its sufficiency.

Section 3.7 Damage and Destruction of Collateral

(a) Mortgagor's Obligations. In the event of any damage to or loss or destruction of the Collateral, (i) Mortgagor shall promptly notify Lender of such event and take such steps as shall be necessary to preserve any undamaged portion of the Collateral and (ii) if, pursuant to Section 3.7(b), the insurance proceeds are applied to the restoration, replacement, or rebuilding of such Collateral (but regardless whether such insurance proceeds, if any, shall be sufficient for the purpose), Mortgagor shall promptly (and, in any event, prior to the date on which any lessee under any Lease shall be entitled to cancel or terminate said Lease because of any such damage, loss or destruction) commence and diligently pursue to completion the restoration, replacement, and rebuilding of the Collateral as nearly as possible to its value, condition, and character immediately prior to such damage, loss, or destruction and in accordance with plans and specifications approved and with other provisions for the preservation of the security hereunder established, by Lender.

(b) Lender's Rights; Application of Proceeds. In the event that any portion of the Collateral is so damaged, destroyed, or lost, and such damage, destruction, or loss is covered, in whole or in part, by insurance described in Section 3.6, then (i) Lender may, but shall not be obligated to, make proof of loss if not made promptly by Mortgagor and is hereby authorized and empowered by Mortgagor to settle, adjust, or compromise any claims for damage, destruction, or loss thereunder; (ii) each insurance company concerned is hereby authorized and directed to make payment therefor directly to Lender; and (iii) Lender shall have the right to apply the insurance proceeds, first, to reimburse Lender for all costs and expenses, including adjustor's and attorneys' fees and disbursements, incurred in connection with the collection of such proceeds and, second, the remainder of such proceeds shall be applied, at Lender's option, either (A) in payment of all or any part of the Obligations, whether or not then due and payable, in the order and manner determined by Lender (provided that to the extent that any Obligation shall remain outstanding after such application, such unpaid Obligation shall continue in full force and effect and Mortgagor shall not be excused in the payment thereof), or to the cure of any then current default hereunder; or (B) to the restoration, replacement, or rebuilding, in whole or in part, of the portion of the Collateral so damaged, destroyed, or lost, *provided* that any insurance proceeds held by Lender to be applied to the restoration, replacement, or rebuilding of the Premises shall be so held without payment or allowance of interest thereon and shall be paid out from time to time upon compliance by Mortgagor with such provisions and requirements as may be imposed by Lender. In the event that Mortgagor shall have received all or any portion of such insurance proceeds, or any other proceeds in respect of such damage or destruction, Mortgagor, upon demand from Lender, shall pay to Lender an amount equal to the amount so received by Mortgagor to be applied as Lender shall have the right pursuant to clause (iii) of the immediately-preceding sentence. Notwithstanding anything herein or at law or in equity to the contrary, none of the insurance proceeds or payments in lieu thereof paid to Lender as herein provided shall be deemed trust funds, and Lender shall be entitled to dispose of such proceeds as provided in this Section. Mortgagor expressly assumes all risk of loss, including a decrease in the use, enjoyment, or value of the Collateral, from any casualty whatsoever, whether or not insurable or insured against.

Section 3.8 Condemnation

(a) Mortgagor's Obligations; Proceedings. Promptly upon obtaining knowledge of any pending or threatened institution of any proceedings for the condemnation of the Collateral, or any part or interest therein, or of any right of eminent domain, or of any other proceedings arising out of injury or damage to or decrease in the value of the Collateral (including any change in any street, whether as to grade, access, or otherwise), or any part thereof or interest therein, Mortgagor will notify Lender of the known threat or pendency thereof. Lender may participate in any such proceedings (but shall not be obligated to do so) and Mortgagor from time to time will execute and deliver to Lender all instruments requested by Lender or as may be required to permit such participation. Mortgagor shall, at its expense, diligently prosecute any such proceedings, shall deliver to Lender copies of all material pleadings served in connection therewith, and shall consult and cooperate with Lender, its attorneys and agents, in the carrying on and defense of any such proceedings; *provided* that no settlement of any such proceeding shall be made by Mortgagor without Lender's prior written consent.

(b) Lender's Rights to Proceeds. All proceeds of condemnation awards or proceeds of sale in lieu of condemnation, and all judgments, decrees, and awards for injury or damage to the Collateral are hereby assigned and

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shall be paid to Lender. Mortgagor agrees to execute and deliver such further assignments thereof as Lender may request, and authorizes Lender to collect and receive the same, to give receipts and releases therefor, and to appeal from any such judgment, decree, or award. Lender shall not in any event be liable or responsible for failure to collect, or exercise diligence in the collection of, any of the same.

(c) Application of Proceeds. Lender shall have the right to apply any proceeds, judgments, decrees, or awards referred to in subsection (b) of this Section, first, to reimburse Lender for all costs and expenses, including attorneys' fees and disbursements, incurred in connection with the proceeding in question, and any appeal therefrom, or in the collection of such amounts and, second, the remainder of such proceeds, judgments, decrees, or awards shall be applied or paid, at Lender's option, either (A) in payment of all or any part of the Obligations, whether or not then due and payable, in the order and manner determined by Lender, or to the cure of any then current default hereunder; or (B) first, to the repair and restoration of the Collateral, if any is deemed necessary by Lender as a result of the condemnation and, second, to Mortgagor for its own use. In the event that Mortgagor shall have received all or any portion of such proceeds, judgments, decrees, or awards, Mortgagor, upon demand from Lender, shall pay to Lender an amount equal to the amount so received by Mortgagor, to be applied as Lender shall have the right pursuant to this subsection. Notwithstanding anything herein or at law or in equity to the contrary, none of the proceeds, judgments, decrees or awards or payment in lieu thereof paid to Lender as herein provided shall be deemed trust funds, and Lender shall be entitled to dispose of such proceeds as provided in this Section.

(d) Effect on the Obligations. Notwithstanding any condemnation, taking, or other proceeding referred to in this Section causing injury to or decrease in value of the Collateral (including a change in any street, whether as to grade, access, or otherwise), or any interest therein, Mortgagor shall continue to pay and perform the Obligations as provided herein. Any reduction in the Obligations resulting from such application shall be deemed to take effect only on the date of receipt by Lender of such proceeds, judgments, decrees or awards and application against the Obligations, *provided* that if prior to the receipt by Lender of such proceeds, judgments, decrees, or awards, the Collateral shall have been sold on foreclosure of this Security Instrument, or shall have been transferred by deed-in-lieu of foreclosure, Lender shall have the right to receive the same to the extent of any deficiency found to be due upon such sale, with legal fees and disbursements incurred by Lender in connection with the collection thereof.

Section 3.9 Liens and Liabilities.

(a) Discharge of Liens. Mortgagor shall pay, bond, or otherwise discharge, from time to time when the same shall become due, all claims and demands of mechanics, materialmen, laborers, and others which, if unpaid, might result in, or permit the creation of, a lien or encumbrance on the Collateral, or on the revenues, rents, issues, income, or profits arising therefrom and, in general, Mortgagor shall do, or cause to be done, at Mortgagor's sole cost and expense, everything necessary to fully preserve the lien and security interest created by this Security Instrument and the priority thereof.

(b) Creation of Liens. Mortgagor shall not, without Lender's prior written consent, create, place, or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, or allow to remain, any deed of trust, mortgage, deed to secure debt, voluntary or involuntary lien, whether statutory, constitutional, or contractual (except for Impositions which are not yet due and payable), security interest, encumbrance or charge, or conditional sale or other title retention document, against or covering the Collateral, prior to, on a parity with, or subordinate to the lien of this Security Instrument, other than Permitted Encumbrances.

Section 3.10 Transfer of Collateral/Due on Sale.

(a) Mortgagor acknowledges that Lender has relied upon Mortgagor and its experience in owning and operating the Collateral and properties similar to the Collateral in connection with the closing of the Loan. Accordingly, in the event that the Collateral or any part thereof or direct or indirect interest therein or any membership interests, partnership interests or other interest in Mortgagor shall be sold, conveyed, disposed of, alienated, hypothecated, leased (except to tenants of space in the Improvements under Leases permitted by this Security Instrument, assigned, pledged, mortgaged, further encumbered or otherwise transferred or Mortgagor shall be divested of its title to the Collateral or any interest therein, in any manner or way, whether voluntarily or involuntarily, without the prior written consent of Lender being first obtained, which consent may be withheld in Lender's sole discretion, then the same shall constitute an Event of Default and Lender shall have the right, at its option, to declare any or all of the Obligations,

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irrespective of any maturity date specified in the Loan Documents, immediately due and payable and to otherwise exercise any of its other rights and remedies contained in Article VI hereof. For the purposes of this Section, each of the following shall be deemed to be a transfer of an interest in the Collateral: (i) in the event Mortgagor or any partner or member of Mortgagor is an individual or an entity other than a corporation or trust, a direct or indirect change in the ownership interests in Mortgagor or any partner, any joint venturer or any member, either voluntarily, involuntarily or otherwise, or the direct or indirect sale, conveyance, transfer, disposition, alienation, hypothecation or encumbering of all or any portion of the interests of Mortgagor or of any such partner, joint venturer or member in Mortgagor or of such partner or member (whether in the form of a beneficial or partnership interest or in the form of a power of direction, control or management, or otherwise) other than as may be permitted in the Loan Agreement; (ii) in the event either Mortgagor or any of its shareholders, partners or members is a corporation or trust, the direct or indirect sale, conveyance, transfer, disposition, alienation, hypothecation or encumbering of the issued and outstanding capital stock of Mortgagor or any of its shareholders, partners or members or of the beneficial interest of such trust (or the issuance of new shares of capital stock of any of them (in one or a series of transactions) such that, after giving effect to such issuance and any prior issuance, more than forty-nine percent (49%) in the aggregate of the outstanding capital stock of Mortgagor or any of its shareholders, partners or members is owned by any person or entity and their affiliates unless such person or entity and their affiliates owned more than forty-nine percent (49%) of the outstanding capital stock of Mortgagor or such shareholder, partner or member as of the date hereof); and (iii) any change in the management or decision making control over Mortgagor or the Collateral.

Section 3.11 Tax and Insurance Deposits.

(a) Monthly Deposits. Upon Lender's request, Mortgagor shall deposit with Lender in a non-interest bearing account, or at Lender's request, with its servicing agent, on the first day of each and every month, commencing with the next Payment Date, a deposit to pay the Assessments (as defined in Section 3.3 hereof) and insurance premiums which will next become due on the insurance policies required by this Security Instrument (hereinafter collectively referred to as the "**Charges**") in an amount equal to:

(i) One-twelfth (1/12th) of the annual Assessments next to become due upon the Collateral; provided that, with the first such deposit, there shall be deposited in addition an amount as estimated by Lender which, when added to monthly deposits to be made thereafter as provided for herein, shall assure to Lender's satisfaction that there will be sufficient funds on deposit to pay the Impositions as they come due; plus

(ii) One-twelfth (1/12th) of the annual premiums on each policy of insurance required to be maintained by this Security Instrument; provided that with the first such deposit there shall be deposited, in addition, an amount equal to one-twelfth (1/12th) of such annual insurance premiums multiplied by the number of months elapsed between the date premiums on each policy were last paid to and including the date of deposit, provided that the amount of such deposits shall be based upon Lender's estimate as to the amount of Assessments and insurance premiums next to be payable and may require that the full amount of such payment will be available to Lender at least one month in advance of the due date. Prior to the payment due dates, Mortgagor shall obtain the original Assessments and insurance premiums bills and forward them immediately to Lender upon Mortgagor's receipt thereof. Lender will, upon timely presentation to Lender by Mortgagor of the bills therefor, pay the Charges from such deposits directly to the taxing authority or the insurance carrier as the case may be, or return such amount to Mortgagor so it can make such payments. In the event the deposits on hand shall not be sufficient to pay all of the estimated Charges when the same shall become due from time to time, or the prior deposits shall be less than the currently estimated monthly amounts, then Mortgagor shall immediately pay to Lender on demand any amount necessary to make up the deficiency. The excess of any such deposits shall be credited towards subsequent Charges.

(b) Use of Deposits. Except to the extent required by applicable law, all funds so deposited shall, until so applied, constitute additional security for the Obligations, shall be held by Lender without interest, may be commingled with other funds of Lender, and, provided that no Event of Default (as defined in Section 6.1) shall have occurred and be continuing hereunder, shall be applied in payment of the aforesaid amounts prior to their becoming delinquent, but only to the extent that Lender shall have such funds on hand, *provided* that Lender shall not have any obligation to use said funds to pay (i) any installment of Assessments prior to the last day on which payment thereof may

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be made without penalty or interest, or to pay any insurance premium prior to the due date thereof; or (ii) any of the aforesaid amounts unless Lender shall have been furnished with the bills or invoices therefor in sufficient time to pay the same before any penalty or interest attaches and before said policies of insurance lapse, as the case may be. If an Event of Default shall have occurred and be continuing hereunder, or if the Obligations shall be accelerated as herein provided, all funds so deposited may, at Lender's option, be applied to the Obligations in the order determined by Lender or to cure said Event of Default or as provided in this Section. In no event shall Mortgagor claim any credit against the principal and interest due hereunder for any payment or deposit for taxes or insurance. Neither Lender nor its servicing agent shall be liable for any act or omission made or taken in good faith. In making any payments, Lender or its servicing agent may rely on any statement, bill or estimate procured from or issued by the payee without inquiry into the validity or accuracy of the same. If the taxes shown in the tax statement shall be levied on property more extensive than the Collateral, Lender shall be under no duty to seek a tax division or apportionment of the tax bill, and any payment of taxes based on a larger parcel shall be paid by Mortgagor, the deposits to be made hereunder shall be based on the larger tax parcel and Mortgagor shall expeditiously cause a tax subdivision to be made.

(c) Transfer of Security Instrument. Upon an assignment or other transfer of this Security Instrument, Lender shall have the right to pay over the balance of such deposits in its possession to the assignee or other successor, and Lender shall thereupon be completely released from all liability with respect to such deposits, and Mortgagor or the owner of the Collateral shall look solely to the assignee or transferee with respect thereto.

Section 3.12 Inspection. Subject to the terms of the Leases, or otherwise with reasonable prior notice to Mortgagor, Mortgagor shall allow Lender and its authorized representatives, or agents, including third-party property appraisers, environmental engineers, architects, engineers, and Lender's employees, to enter upon the Collateral and conduct non-invasive tests and to enter upon and inspect the Collateral, or any part thereof, at all reasonable times and upon reasonable prior notice, except in the event of an emergency when no notice shall be required and subject to the rights of tenants, and shall assist Lender and such representatives or agents in effecting said inspection.

Section 3.13 Records, Reports, and Audits.

(a) Maintenance of Records. Mortgagor shall keep and maintain at all times complete and accurate books of accounts and records in sufficient detail to correctly reflect the results of the operation of the Premises and copies of all written contracts, Leases and other instrument which affect the Premises (including but not limited to all bills, invoices and contracts for electrical service, gas service, water and sewer service, waste management service, telephone service and management services). Mortgagor shall allow Lender or its authorized representatives at all reasonable times, at Mortgagor's expense, to examine and make copies of all such books and records and all supporting data therefor at Mortgagor's principal place of business, at the Premises or at such other place where such books, records, and data may be located. Mortgagor shall assist Lender or such representative in effecting such examination.

(b) Financial Reports. Mortgagor shall furnish or cause to be furnished to Lender financial reports in accordance with the terms of the Loan Agreement.

Section 3.14 Assignment of Leases and Rents.

(a) Assignment. All right, title, and interest of Mortgagor in and to each Lease, together with all of the Rents, income, receipts, revenues, issues, avails and profits from or due or arising out of the Premises are hereby transferred and assigned simultaneously herewith to Lender as further security for the payment and performance of the Obligations. Any permitted Lease shall be subordinate to this Security Instrument. Although it is the intention of the parties that the assignment contained in this Section shall be a present and absolute assignment, it is expressly understood and agreed, anything to the contrary notwithstanding, that Lender shall not exercise any of the rights or powers conferred upon it by this Section unless an Event of Default (as hereinafter defined) shall have occurred and be continuing under this Security Instrument.

(b) Remedies Upon Event of Default. Following the occurrence and during the continuance of an Event of Default, if requested by Lender, Mortgagor shall promptly send written notification of same to each tenant under any Lease, (b) Lender shall have all of the rights and powers as are provided herein, (c) each tenant shall pay all Rents directly to Lender upon Lender's notice to tenants indicating the occurrence and continuance of an Event of Default (but

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without proof thereof), and (d) Lender shall have the authority, as Mortgagor's attorney-in-fact (such authority being coupled with an interest and irrevocable), to sign the name of Mortgagor and to bind Mortgagor on all papers and documents relating to the operation, leasing and maintenance of the Premises.

(c) **License.** Lender confers upon Mortgagor a revocable license ("**License**") to collect and retain the Rents and other sums under any Lease as they become due and payable, and to enjoy all the rights and privileges of landlord under the Leases, subject to the provisions of the Loan Documents, for so long as no Event of Default exists. During the continuance of an Event of Default, the License shall be automatically revoked.

(d) **Mortgagor Failure to Perform Under the Lease.** If Mortgagor, as lessor under any Lease, shall neglect or refuse to perform, observe and keep all of the covenants, provisions and agreements contained in such Lease, then Lender, after giving any written notice to Mortgagor required by the Loan Agreement, may perform and comply with any such Lease covenants, agreements and provisions. All costs and expenses incurred by Lender in complying with such covenants, agreements, and provisions shall constitute Obligations secured hereby, whether or not they exceed the amount of the Loan, and shall be payable upon demand with interest at the Default Rate, as defined in the Loan Agreement. Lender shall not be obligated to perform or discharge any obligation, duty or liability under any Lease, and Mortgagor shall and does hereby agree, except to the extent of Lender's gross negligence or willful misconduct as determined by a court of competent jurisdiction, to indemnify and hold Lender harmless of and from any and all liability, loss or damage which they may or might incur under any Lease or under or by reason of the assignment of any such Lease and of and from any and all claims and demands whatsoever which may be asserted against them by reason of all alleged obligations or undertakings on Lender's part to perform or discharge any of the terms, covenants or agreements contained in any Lease. Should Lender incur any such liability, loss or damage under any Lease or under or by reason of its assignment, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall constitute Obligations secured hereby, whether or not they exceed the amount of the Loan, and shall be payable upon demand with interest at the Default Rate as defined in the Loan Agreement.

Section 3.15 Subordination of Fees. The terms and conditions of all arrangements whereby Mortgagor, any guarantor, or any person, partnership, corporation, limited liability company or other entity related to or controlled by or under common control with Mortgagor or any guarantor or in which Mortgagor, any guarantor, or any member or manager of Mortgagor has a substantial interest, is or may be entitled to fees or commissions with respect to the Collateral or sales or leases of the Collateral shall be disclosed to Lender, and no payment of any fees or compensation may be made by or on behalf of Mortgagor to any of such persons or entities without Lender's prior written consent, until the Loan is fully satisfied.

Section 3.16 Leases of Space. Mortgagor will, at its own cost and expense, perform, comply with and discharge all of the obligations of Mortgagor under any leases and use commercially reasonable efforts to enforce or secure the performance of each obligation and undertaking of the respective tenants under any such leases and will appear in and defend, at its own cost and expense, any action or proceeding arising out of or in any manner connected with Mortgagor's interest in any leases of the Premises. Mortgagor will not borrow against, pledge or assign any of Mortgagor's rights under the leases or any rentals due thereunder or consent to a subordination or assignment of the interest of the tenants thereunder to any party other than Lender, nor anticipate the rents thereunder for more than one (1) month in advance or reduce the amount of rents and other payments thereunder, nor waive, excuse, condone or in any manner release or discharge the tenants of or from their obligations, covenants, conditions and agreements to be performed, nor to incur any indebtedness to the tenants, nor enter into any leases of all or any part of the Premises without the prior written consent of Lender.

Section 3.17 Alterations and Renovations. Except as contemplated by the Loan Agreement, Mortgagor agrees that, without the prior written consent of Lender, Mortgagor will not remove or expand any improvements on the Premises, erect any new improvements or make any material alterations in any improvements which will alter the basic structure, adversely affect the market value or change the existing architectural character of the Premises. Mortgagor agrees that buildings, structures and improvements now or hereafter constructed on or in the Premises or repairs made to the Premises shall be completed in a good and workmanlike manner, in accordance with all applicable governmental laws, regulations, requirements and permits. Mortgagor agrees not to acquiesce in any rezoning classification, modification or restriction affecting the Premises without the written consent of Lender or as permitted under the Loan Agreement.

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Section 3.18 Property Management.

(a) Without the prior written consent of Lender, Mortgagor shall not (i) enter into a management agreement, (ii) surrender any management agreement, (iii) consent to the assignment by any property manager of its rights, duties or obligations under any management agreement, (iv) terminate or cancel any management agreement, or (v) modify, change, supplement, alter or amend any management agreement, in any material respect, either orally or in writing. Upon entering into any management agreement, Mortgagor shall execute and deliver an Assignment of Management Agreement in form and substance reasonably satisfactory to Lender, which shall be consented to and acknowledged by such newly appointed property manager

(b) Upon the occurrence of an Event of Default, Lender may require, upon ten (10) Business Days prior written notice to Mortgagor, that Mortgagor retain a property manager, or select a new property manager if a property manager then exists, not affiliated with Mortgagor to manage the Collateral. If such a property manager is so required by Lender, Mortgagor shall immediately seek to appoint a property manager acceptable to Lender. Such newly appointed property manager shall enter into a property management agreement with Mortgagor satisfactory to Lender. Mortgagor shall execute and deliver an Assignment of Management Agreement in form and substance reasonably satisfactory to Lender, which shall be consented to and acknowledged by such newly appointed property manager.

Section 3.19 Further Acts. Mortgagor shall do and perform all acts necessary to keep valid and effective the charges and lien hereof, to carry into effect its objective and purposes, and to protect the lawful owner of the Note and the other Obligations. Promptly upon request by Lender, and at Mortgagor's expense, Mortgagor shall execute, acknowledge, and deliver to Lender such other and further instruments and do such other acts as in the reasonable opinion of Lender may be necessary or desirable to (a) grant to Lender the highest available perfected lien on all of the Collateral; (b) correct any defect, error, or omission which may be discovered in the contents of this Security Instrument or any other Loan Document; (c) identify more fully and subject to the liens, encumbrances, and security interests and assignments created hereby any property intended by the terms hereof to be covered hereby (including, without limitation, any renewals, additions, substitutions, replacements, or appurtenances to the Collateral); (d) assure the first priority hereof and thereof, and (e) otherwise effect the intent of this Security Instrument.

ARTICLE IV.

ADDITIONAL ADVANCES; EXPENSES; INDEMNITY

Section 4.1 Additional Advances and Disbursements. Mortgagor agrees that, if Mortgagor shall default in any of its Obligations to pay any amount or to perform any action, including its obligation under Section 3.3 to pay Impositions and under Section 3.6 to procure, maintain, and pay premiums on the insurance policies referred to therein, then Lender shall have the right, but not the obligation, in Mortgagor's name or in its own name, and without notice to Mortgagor, to advance all or any part of such amounts or to perform any or all such actions, and, for such purpose and to the extent permitted by applicable law, Mortgagor expressly grants to Lender, in addition and without prejudice to any other rights and remedies hereunder, the right to enter upon and take possession of the Collateral to such extent and as often as it may deem necessary or desirable to prevent or remedy any such default. No such advance or performance shall be deemed to have cured such default by Mortgagor or any Event of Default with respect thereto. All sums advanced, all Collection Expenses (as hereinafter defined), and all expenses incurred by Lender in connection with such advances or actions, and all other sums advanced or expenses incurred by Lender hereunder or under applicable law (whether required or optional and whether indemnified hereunder or not) shall be part of the Obligations, shall bear interest at Default Rate (as defined in the Loan Agreement), and shall be secured by this Security Instrument. Lender, upon making any such advance, shall be subrogated to all of the rights of the person receiving such advance.

Section 4.2 Other Expenses.

(a) Mortgagor shall pay or, on demand, reimburse Lender for the payment of all appraisal fees, recording and filing fees, taxes, brokerage fees and commissions, abstract fees, title insurance premiums and fees, Uniform Commercial Code search fees, escrow fees, attorneys' fees and disbursements, and all other costs and expenses

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of every character incurred by Mortgagor or Lender in connection with the granting, administration, enforcement, and closing (including the preparation of the Loan Documents) of the transactions contemplated hereunder or under the other Loan Documents, or otherwise attributable or chargeable to Mortgagor as owner of the Collateral. Lender shall have the right to obtain from time to time, at Mortgagor's cost and expense, appraisals of the Collateral.

(b) Mortgagor shall pay or, on demand, reimburse Lender for the payment of any reasonable costs or expenses (hereinafter referred to collectively as "*Collection Expenses*"), including third-party appraisal fees and expenses, environmental engineers' fees and expenses, the cost of environmental testing and preparation of environmental reports, architects' fees and expenses, engineers' fees and expenses, travel costs of Lender's and Lender's employees, agents, and representatives, and reasonable attorneys' fees and expenses incurred or expended in connection with or incidental to (i) any default or Event of Default by Mortgagor hereunder or (ii) the exercise or enforcement by or on behalf of Lender of any of its rights or remedies or Mortgagor's obligations under this Security Instrument or under the other Loan Documents, including the enforcement, compromise, or settlement of this Security Instrument or the Obligations or the defense, assertion of the rights and claims of Lender hereunder in respect thereof, by litigation or otherwise.

Section 4.3 Indemnity. Mortgagor agrees to indemnify and hold harmless Lender from and against any and all losses, liabilities, suits, obligations, fines, damages, judgments, penalties, claims, charges, costs, and expenses (including reasonable attorneys' fees and disbursements, expenses of other professionals and experts, and of the investigation and defense of any claim, whether or not such claim is ultimately defeated, and the settlement of any claim or judgment including all value paid or given in settlement) which may be imposed on, incurred or paid by or asserted against Lender by reason of or on account of, or in connection with, (i) any default or Event of Default by Mortgagor hereunder or under the other Loan Documents; (ii) Lender's exercise of any of its rights and remedies, or the performance of any of its duties, hereunder or under the other Loan Documents to which Mortgagor is a party, except where arising from the gross negligence or willful misconduct of Lender; (iii) the construction, reconstruction, restoration, or alteration of the Collateral or any part thereof; (iv) any negligence or willful misconduct of Mortgagor, any lessee of the Premises, or any of their respective agents, contractors, subcontractors, servants, employees, licensees, or invitees; (v) any accident injury, death or damage to any person or property occurring in, on, or about the Premises, the Improvements, or any street, drive, sidewalk, curb, or passageway adjacent thereto which Mortgagor is responsible for maintaining and would be liable if such an event were to occur; or (vi) any other transaction arising out of or in any way connected with the Collateral (or any part thereof) or the Loan Documents. Any amount payable to Lender under this Section shall be deemed a demand obligation, shall be part of the Obligations, shall bear interest at the Default Rate, and shall be secured by this Security Instrument.

ARTICLE V.

UNIFORM COMMERCIAL CODE

This Security Instrument shall constitute a security agreement under Article 9 of the Uniform Commercial Code (the "*Code*") in each applicable jurisdiction with respect to any and all fixtures and personal property included in the description of the Collateral, now owned or hereafter acquired by Mortgagor, which might otherwise be deemed "personal property" and all accessions thereto and the proceeds thereof (collectively, the "*Personal Property*"). Mortgagor has granted and does hereby grant Lender a security interest in the Personal Property and in all additions and accessions thereto, renewals and replacements thereof and all substitutions therefor and proceeds thereof for the purpose of securing all Obligations now or hereafter secured by this Security Instrument. The following provisions relate to such security interest:

(a) The Personal Property includes all now existing or hereafter acquired or arising equipment, inventory, accounts, chattel paper, instruments, documents, deposit accounts, investment property, letter-of-credit rights, commercial tort claims, supporting obligations and general intangibles now or hereafter used or procured for use in the Premises or otherwise relating to the Premises. If Mortgagor shall at any time acquire a commercial tort claim relating to the Premises, Mortgagor shall immediately notify Lender in a writing signed by Mortgagor of the brief details thereof and grant to Lender a security interest therein and in the proceeds thereof.

(b) Mortgagor hereby irrevocably authorizes Lender at any time and from time to time to file in any filing office in any Code jurisdiction any initial financing statements and amendments thereto that (a) indicate the

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collateral as “all assets used or procured for use or otherwise relating to the Premises” or words of similar effect, or as being of equal or lesser scope or in greater detail, and to indicate the Premises as defined, or in a manner consistent with the term as defined, in this Security Instrument and (b) contain any other information required by part 5 of Article 9 of the Code of any such filing office for the sufficiency or filing office acceptance of any initial financing statement or amendment, including whether Mortgagor is an organization, the type of organization and any organizational identification number issued to Mortgagor. Mortgagor agrees to provide any such information to Lender promptly upon request. Mortgagor also ratifies its authorization for Lender to have filed in any filing office in any Code jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof. Mortgagor shall pay to Lender, from time to time, upon demand, any and all costs and expenses incurred by Lender in connection with the filing of any such initial financing statements and amendments, including attorneys’ fees and all disbursements. Such costs and expenses shall bear interest at the Default Rate from the date paid by Lender until the date repaid by Mortgagor, and such costs and expenses, together with such interest, shall be part of the Obligations and shall be secured by this Security Instrument.

(c) Mortgagor shall any time and from time to time take such steps as Lender may reasonably request for Lender to obtain “control” of any Personal Property for which control is a permitted or required method to perfect, or to insure priority of, the security interest in such Personal Property granted herein.

(d) Upon the occurrence of an Event of Default, Lender shall have the rights and remedies of a secured party under the Code as well as all other rights and remedies available at law or in equity or under this Security Instrument.

(e) It is intended by Mortgagor and Lender that this Security Instrument be a financing statement filed in the real estate records of Cook County, Illinois, as a fixture filing covering the Personal Property. A description of the Premises which relates to the Personal Property is set forth in Exhibit B attached hereto.

(f) Terms defined in the Code and not otherwise defined in this Security Instrument shall have the same meanings in this Paragraph as are set forth in the Code. In the event that a term is used in Article 9 of the Code and also in another Article, the term used in this Paragraph is that used in Article 9. The term “control,” as used in this Paragraph, has the meaning given in Section 9-104, 9-105, 9-106 or 9-107 of Article 9, as applicable.

(g) The information in the subsections below this paragraph is provided in connection with the filing of this Security Instrument as a financing statement as referred to above, and Mortgagor hereby represents and warrants such information to be true and complete as of the date of this Security Instrument.

(h) Mortgagor is the record owner of the fee simple interest in the real estate described in this Security Instrument and for purposes of the Code, Mortgagor is the Debtor. The name, mailing address, type of organization and state of formation of the Debtor (Mortgagor) is set forth in the first paragraph of this Security Instrument.

(i) For purposes of the Code, Lender is the Secured Party. The name and mailing address of the Secured Party (Lender) is:

Revere Tactical Opportunities REIT, LLC, as Agent for Lender
5910 N. Central Expressway, Suite 1600
Dallas, Texas 75206
Attn: Clark Briner

ARTICLE VI.

DEFAULTS AND REMEDIES

Section 6.1 Events of Default. The term “*Event of Default*,” as used in this Security Instrument, shall mean the occurrence of any of the following events:

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- (a) an Event of Default (as such term is defined in the Loan Agreement) occurs beyond any applicable grace period therefor; or
- (b) the Collateral (or any part thereof), or any legal, beneficial, or equitable interest therein, shall be sold, transferred, or encumbered in any way in violation of this Security Instrument or the other Loan Documents; or
- (c) if Mortgagor abandons the Premises or the Improvements; or
- (d) if Mortgagor shall fail at any time to obtain, provide, maintain, keep in force, or deliver to Lender the insurance policies required by this Security Instrument; or
- (e) if any claim of lien priority (except a claim based upon a Permitted Encumbrance) to this Security Instrument or any other document or instrument securing the Obligations by title, lien, or otherwise shall be upheld by any court of competent jurisdiction or shall be consented to by Mortgagor; or
- (f) if default shall be made in the performance or observance of any provision contained in this Security Instrument other than those referred in (a) through (e) above, beyond the applicable grace period therefor or, if no such grace period is applicable, if the default has not been remedied within thirty (30) days after the occurrence thereof, unless Mortgagor is diligently pursuing the remedy thereof, in which event the cure period shall be extended for an additional thirty (30) days.

Section 6.2 Remedies. Upon the occurrence and during the continuance of any one or more Events of Default:

- (a) **Foreclosure.** Lender may immediately foreclose this Security Instrument in whole or separately in parcels by judicial or other action permitted by applicable law, including by advertisement pursuant to the power of sale. Lender may be the purchaser at any sale, including by advertisement pursuant to the power of sale. Lender may be the purchaser at any sale.
- (b) **Lender's Other Rights.** Lender shall have the right to take such other steps to protect and enforce its rights, whether by action, suit or proceeding at law or in equity for the specific performance of any covenant, condition or agreement contained in this Security Instrument, or in aid of the execution of any power granted in this Security Instrument, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as Lender shall elect, including, without limitation, the right of possession and the right to obtain the appointment of a receiver as described below.

Section 6.3 Lender's Performance of Mortgagor's Obligations. Following the occurrence and during the continuance of an Event of Default, Lender, both before and after acceleration of the Obligations or the foreclosure of the lien hereof and during the period of redemption, if any, may, but shall not be required to do any one or more of the following: (i) make any payment or perform any act herein, or in the Loan Agreement, the Note, any of the other Loan Documents or any document or instrument related thereto which is required of Mortgagor (whether or not Mortgagor is personally liable therefor) in any form and manner deemed expedient to Lender; (ii) purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, (iii) redeem from any tax sale or forfeiture affecting the Premises, (iv) contest any taxes, or (v) complete any incomplete construction, furnishing and equipping of the Improvements and rent, operate and manage the Premises and the Improvements and pay operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Premises and Improvements shall be operational and usable for their intended purposes. Lender, in making any payment hereby authorized: (a) for the payment of taxes and assessments, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (b) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim or lien which may be asserted; or (c) for the completion of construction, furnishing or equipping of the Improvements or the Premises or the rental, operation or management of the Premises or the payment of operating cost and expenses thereof, may do so in such amounts and to such persons as Lender may deem appropriate and may enter into such contracts therefor as Lender may deem appropriate or may perform the same itself.

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Section 6.4 Protective Advances.

(a) Generally. All advances, disbursements and expenditures made or incurred by Lender before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, in addition to those otherwise authorized by this Security Instrument or the Loan Agreement or by the Illinois Mortgage Foreclosure Law (the "Act"), are hereinafter referred to as "*Protective Advances*", and shall include, without limitation:

- (i) advances, disbursements and expenditures made pursuant to Section 4.1.
- (ii) any amount expended by Lender in restoring the Premises in excess of the actual or estimated proceeds of insurance or condemnation;
- (iii) advances, disbursements and expenditures in accordance with the terms of this Security Instrument to: (A) protect, preserve or restore the Premises; (B) preserve the lien of this Security Instrument or the priority thereof; or (C) enforce this Security Instrument, each as referred to in subsection (b)(5) of Section 5/15-1302 of the Act;
- (iv) payments of (A) when due, installments of principal, interest or other obligations in accordance with the terms of any Prior Encumbrance (as hereinafter defined); (B) when due, installments of real estate taxes and other Impositions; (C) other obligations authorized by this Security Instrument; or (D) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, as referred to in Section 5/15-1505 of the Act;
- (v) reasonable attorneys' fees and other costs incurred in connection with: (A) the exercise of Lender's rights to make Protective Advances; (B) the foreclosure of this Security Instrument as referred to in Sections 1504(d)(2) and 5/15-1510 of the Act; (C) any other litigation or administrative proceeding relating to the Premises to which Lender may be or become or be threatened or contemplated to be a party, including probate and bankruptcy proceedings; or (D) in the preparation for the commencement or defense of any such suit or proceeding; in each case including, without limitation, filing fees, appraisers' fees, outlays for documents and expert evidence, witness fees, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of judgment) of procuring all such abstracts of title, title charges and examinations, foreclosure minutes, title insurance policies, appraisals, and similar data and assurances with respect to title and value as Lender may deem reasonably necessary either to prosecute or defend such suit or, in case of foreclosure, to evidence to bidders at any sale which may be had pursuant to the foreclosure judgment the true condition of the title to or the value of the Premises;
- (vi) Lender's fees and costs arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Subsection (b)(1) of Section 15-1508 of the Act;
- (vii) payment by Lender of any taxes or assessments as may be permitted by this Security Instrument;
- (viii) expenses deductible from proceeds of sale referred to in Subsections (a) and (b) of Section 15-1512 of the Act;
- (ix) Lender's advances of any amount required to make up a deficiency in deposits for installments of Impositions as may be permitted by this Security Instrument;
- (x) expenses incurred and expenditures made by Lender for any one or more of the following: (A) premiums upon casualty and liability insurance made by Lender whether or not Lender or a receiver is in possession, if reasonably required, without regard to the limitation to maintaining insurance in effect at the time any receiver, deed of trust beneficiary or Lender takes possession of the Premises; (B) payments required or deemed by Lender to be for the benefit of the Premises or required to be made by the

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owner of the Premises under any grant or declaration of easement, easement agreement, reciprocal easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the Premises; (C) shared or common expense assessments payable to any association or corporation in which the owner of the Premises is a member in any way affecting the Premises; (D) operating deficits incurred by Lender as a mortgagee in possession or reimbursed by Lender to any receiver; (E) all amounts paid to any public authority for the use or occupancy of any street, alley, or public way; (F) fees and costs incurred to obtain an environmental assessment report relating to the Premises; and (G) any monies expended in excess of the face amount of the Note; and

(xi) advances by Lender in settlement or compromise of any claims asserted by claimants under senior mortgages or any other prior liens.

(b) All Protective Advances shall constitute Obligations secured hereby, regardless of whether any Loan proceeds have been disbursed and regardless of whether they exceed the amount of the Loan, and shall become immediately due and payable without notice and with interest thereon until paid at the Default Rate. This Security Instrument shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Security Instrument is recorded.

(c) The Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Act, be included in: (i) the determination of the amount of indebtedness secured by this Security Instrument at any time; (ii) the indebtedness found due and owing to Lender in the judgment of foreclosure and any subsequent amendment of such judgment, supplemental judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after entry of such judgment, it being hereby agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose; (iii) the determination of amounts deductible from sale proceeds pursuant to Section 5/15-1512 of the Act; (iv) the determination of the application of income in the hands of any receiver or mortgagee in possession; and (v) the computation of any deficiency judgment pursuant to Subsections (b)(2) and (e) of Section 5/15-1508 and Section 5/15-1511 of the Act.

(d) All moneys paid for Protective Advances or any of the other purposes authorized in this Security Instrument, the Loan Agreement or any other Loan Documents (including, without limitation, monies expended pursuant to Section 4.1 of this Security Instrument) and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees, and any other moneys advanced by Lender to protect the Premises and the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the Default Rate in the Loan Agreement. Inaction of Lender shall never be considered as a waiver of any right accruing to it on account of any Default on the part of Mortgagor.

(e) Should the proceeds of the Loan or any part thereof, or any amount paid out or advanced under the Loan Documents by Lender, be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any senior mortgage (as described in Subsection (i) of Section 15-1505 of the Act) or any other lien or encumbrance upon the Collateral or any part thereof on a parity with or prior or superior to the lien hereof (a "*Prior Encumbrance*"), then as additional security hereunder, Lender 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, however remote, regardless of whether said liens, charges and indebtedness are acquired by assignment or have been released of record by the holder thereof upon payment.

(f) This Security Instrument shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Security Instrument is recorded pursuant to subsection (b)(1) of Section 5/15-1302 of the Act.

Section 6.5 **Right of Possession.** Upon the occurrence and during the continuance of an Event of Default, and upon Lender's request to the court, Mortgagor shall, immediately upon Lender's demand, surrender to Lender, and Lender shall be entitled to take actual possession of the Premises or any part thereof, personally or by its agent or attorneys. Lender may enter upon and take and maintain possession or may apply to the court in which a foreclosure is pending to be placed in possession of all or any part of the Premises, together with all documents, books, records, papers, and accounts of Mortgagor or the then owner of the Premises relating thereto. Lender may exclude Mortgagor, such owner, and any agents and servants from the Premises. As attorney-in-fact or agent of

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Mortgagor or such owner, or in its own name, Lender may hold, operate, manage, and control all or any part of the Premises and conduct the business thereof, either personally or by its agents. Lender shall have full power to use such measures, legal or equitable, as it may deem proper or necessary to enforce the payment or security of the rents, issues, deposits, profits, and avails of the Premises, including actions for recovery of rent, actions in forcible entry and detainer, and actions in distress for rent, all without notice to Mortgagor. Without limitation of the foregoing, Lender shall have all power, authority and duties as provided under applicable law.

Section 6.6 Application of Rent Payments. Any rents, issues, deposits, profits, and avails of the Premises received by Lender after taking possession of the Premises, or pursuant to any assignment to Lender under the provisions of this Security Instrument or any of the other Loan Documents, shall be applied as provided under applicable law or, in case of a receivership, as the court may determine.

Section 6.7 Appointment of Receiver. Upon the occurrence and during the continuance of an Event of Default and in addition to all other remedies in the Loan Documents, Lender may, at Lender's sole option, to the extent permitted by applicable law, make application to a court of competent jurisdiction for appointment of a receiver for all or any part of the Collateral, as a matter of strict right, and Mortgagor does hereby irrevocably consent to such appointment, waives any and all notices of and defenses to such appointment and agrees not to oppose any application therefor by Lender, but nothing herein is construed to deprive Lender of any other right, remedy or privilege Lender may now have under the law to have a receiver appointed; provided that the appointment of such receiver, trustee or other appointee by virtue of any court order, statute or regulation shall not impair or in any manner prejudice the rights of Lender to receive payment of all of the Rents, issues, deposits and profits pursuant to other terms and provisions set forth in this Security Instrument. To the extent permitted by applicable law, such appointment may be made either before or after sale, without notice; without regard to the solvency or insolvency, at the time of application for such receiver, of the person or persons, if any, liable for the payment of the Obligations; without regard to the value of the Collateral at such time and whether or not the same is then occupied as a homestead; without bond being required of the applicant; and Lender or any employee or agent thereof may be appointed as such receiver. Such receiver shall have all powers and duties pursuant to applicable laws, including the power to take possession, control and care of the Collateral and to collect all Rents, issues, deposits, profits and avails thereof during the pendency of such foreclosure suit and apply all funds received toward the Obligations, and in the event of a sale and a deficiency where Mortgagor has not waived its statutory rights of redemption, during the full statutory period of redemption, as well as during any further times when Mortgagor or its administrators, legal representatives, successors or assigns, except for the intervention of such receiver, would be entitled to collect such Rents, issues, deposits, profits and avails, and shall have all other powers that may be necessary or useful in such cases for the protection, possession, control, management and operation of the Premises during the whole of any such period. To the extent permitted by law, such receiver may extend or modify any then existing Leases and make new Leases of the Collateral or any part thereof, which extensions, modifications and new Leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the Maturity Date, 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 such foreclosure sale, notwithstanding any redemption from sale, discharge of indebtedness, satisfaction of foreclosure decree or issuance of certificate of sale or deed to any purchaser. The court from time to time, either before or after entry of judgment of foreclosure, may authorize the receiver to apply the net income in his or its hands in payment in whole or in part of: (a) the Obligations, or any amounts included in any judgment of foreclosure or supplemental judgment or other item for which Lender is authorized to make a Protective Advance, and (b) the deficiency in case of a sale and deficiency.

Section 6.8 Application of the Rents or Proceeds from Foreclosure Sale. In any foreclosure of this Security Instrument by judicial action, the proceeds of such foreclosure proceeding and/or the Rents paid to Lender shall, to the extent permitted by law, be applied as follows:

(a) First: to the ratable payment of the costs and expenses of such sale, including reasonable fees and expenses incurred by Lender, its agents and attorneys, and of any judicial or private proceedings in which such sale may be made, and of all other expenses, liabilities and advances made or incurred by Lender and its agents and attorneys under this Security Instrument, together with interest at the Default Rate in the Loan Agreement on such costs, expenses and liabilities and on all advances made by Lender from the date any such cost, expense or liability is due, owing or unpaid or any such advance is made, in each case until paid in full.

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(b) Second: to the payment in full of the other Obligations.

(c) Third: the surplus, if any, to be paid to whomever may be lawfully entitled to receive such surplus.

Section 6.9 Cumulative Remedies; Delay or Omission Not a Waiver. Each remedy or right of Lender shall not be exclusive of, but shall be in addition to, every other remedy or right now or hereafter existing at law, in equity and/or under any of the Loan Documents. No delay in the exercise or omission to exercise any remedy or right accruing on the occurrence or existence of any Event of Default hereunder and/or under any other Loan Document shall impair any such remedy or right or be construed to be a waiver of any such Event of Default or acquiescence therein, nor shall it affect any subsequent Event of Default of the same or different nature. Every such remedy or right may be exercised concurrently or independently and when and as often as may be deemed expedient by Lender.

Section 6.10 No Merger. In the event of a foreclosure of this Security Instrument, the Obligations then due Lender shall not be merged into any decree of foreclosure entered by the court, and Lender may concurrently or subsequently seek to foreclose one or more mortgages or deeds of trust which also secure said Obligations.

Section 6.11 Insurance Upon Foreclosure. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied to the restoration of the Premises shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct. In case of the foreclosure of this Security Instrument, the court in its judgment may provide that the judgment creditor may cause a new or additional loss clause to be attached to each of said policies making the loss thereunder payable to said judgment creditor; and any such foreclosure judgment may further provide unless the right of redemption has been waived, that in case of redemption under said judgment, pursuant to applicable law, then, and in every such case, the redemptory may cause the preceding loss clause attached to each insurance policy to be cancelled and a new loss clause to be attached thereto, making the loss thereunder payable to such redemptory. In the event of foreclosure sale, Lender is hereby authorized, but not required, without the consent of Mortgagor, to assign or cause a receiver to assign any and all insurance policies to the purchaser at the sale, or to take such other action as Lender may deem advisable, to cause the interest of such purchaser to be protected by any of the said insurance policies.

Section 6.12 Waiver of Statutory Rights. To the extent permitted under applicable law, Mortgagor shall not apply for or avail itself of any appraisalment, valuation, redemption, stay, extension, or exemption laws, or any so-called "moratorium laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Security Instrument, and Mortgagor hereby waives the benefit of such laws (to the extent permitted by applicable law). Mortgagor, for itself and all who may claim through or under it, waives any and all rights to have the Premises and estates comprising the Premises marshaled upon any foreclosure of the lien of this Security Instrument, and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold in its entirety. To the extent permitted by applicable law, Mortgagor further waives any and all rights of reinstatement or redemption with respect to any foreclosure of this Security Instrument, for itself and on behalf of: (i) any trust estate of which the Premises are a part and all beneficially interested persons; (ii) each and every person acquiring any interest in the Premises or title to the Premises subsequent to the date of this Security Instrument; and (iii) all other persons to the extent permitted by the provisions of laws of the State of Illinois. Mortgagor acknowledges that the transaction of which this Security Instrument is a part is a transaction which does not include either agricultural real estate (as defined in Section 15-1201 of the Act) or residential real estate (as defined in Section 15-1219 of the Act).

Section 6.13 Uniform Commercial Code Remedies. Following the occurrence and during the continuance of an Event of Default, Lender may exercise any or all of the remedies granted to a secured party under the Code.

Section 6.14 Sale of Personal Property. Following the occurrence and during the continuance of an Event of Default, Lender shall have the discretionary right to cause some or all of the Premises, which constitutes

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personal property, to be sold or otherwise disposed of in any combination and in any manner permitted by applicable law.

(a) For purposes of this Section 6.14, Lender may elect to treat as personal property any property which is intangible or which can be severed from the Premises or Improvements without causing structural damage. If it chooses to do so, Lender may dispose of any personal property, in any manner permitted by Article 9 of the Code, including any public or private sale, or in any manner permitted by any other applicable law.

(b) In connection with any sale or other disposition of such property, Mortgagor agrees that the following procedures constitute a commercially reasonable sale: Lender shall mail written notice of the sale to Mortgagor not later than thirty (30) days prior to such sale. Lender will publish notice of the sale in a local daily newspaper of general circulation. Upon receipt of any written request, Lender will make the property available to any bona fide prospective purchaser for inspection during reasonable business hours. Notwithstanding the foregoing, Lender shall be under no obligation to consummate a sale if, in its judgment, none of the offers received by it equals the fair value of the property offered for sale. The foregoing procedures do not constitute the only procedures that may be commercially reasonable.

Section 6.15 Subordination of Mortgage. At the option of Lender, this Security Instrument shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any condemnation proceeds), to any and all Leases of all or any part of the Premises upon the execution by Lender and recording thereof, at any time hereafter in the appropriate official records of the County wherein the Premises is situated, of a unilateral declaration, to that effect.

Section 6.16 Mortgagee in Possession. Nothing contained in this Security Instrument shall be construed as constituting Lender a mortgagee in possession in the absence of the actual taking of possession of the Premises.

Section 6.17 Compliance with Applicable Law. Anything elsewhere herein contained to the contrary notwithstanding:

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

(b) if any provision of this Security Instrument shall grant to Lender any rights or remedies upon default of Mortgagor or which are more limited than the rights that would otherwise be vested in Lender under applicable law in the absence of said provision, Lender shall be vested with the rights granted under applicable law to the full extent permitted by law;

(c) without limiting the generality of the foregoing, all expenses incurred by Lender to the extent reimbursable under applicable law, whether incurred before or after any decree or judgment of foreclosure and whether enumerated in this Security Instrument, shall be added to the indebtedness secured by this Security Instrument or by the judgment of foreclosure; and

(d) it is the intention of the parties to conform strictly to the usury laws, whether state or federal, that are applicable to the Loan Documents. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan (as such term is defined in the Loan Agreement), together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Fees"), shall exceed the maximum lawful rate (the "*Maximum Rate*") which may be contracted for, charged, taken, received or reserved by Lender in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Fees payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Fees that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Fees payable to Lender in respect of other Loans or periods shall be increased (but not

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above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by Lender.

ARTICLE VII.

ADDITIONAL PROVISIONS

Section 7.1 Sales or Participations. Lender may from time to time sell or assign, in whole or in part, or grant participations in the Guaranty, the Note, the other Loan Documents, and/or the obligations evidenced thereby. The holder of any such sale, assignment or participation, if the applicable agreement between Lender and such holder so provides, shall be entitled to all of the rights, obligations and benefits of Lender and deemed to hold and may exercise the rights of setoff or banker's lien with respect to any and all obligations of such holder to the undersigned, in each case as fully as though the undersigned were directly indebted to such holder. Lender may in its discretion give notice to the undersigned of such sale, assignment or participation; however, the failure to give such notice shall not affect any of Lender's or such holder's rights hereunder.

Section 7.2 Disclosure of Financial Information. Each of Lender is hereby authorized to disclose any financial or other information about Mortgagor or any guarantors to any regulatory body or agency having jurisdiction over Lender or to any present, future or prospective participant or successor in interest in any loan or other financial accommodation made by Lender to Mortgagor. The information provided may include, without limitation, amounts, terms, balances, payment history, return item history and any financial or other information about Mortgagor.

Section 7.3 Severability. If all or any portion of any provision of this Security Instrument or the other Loan Documents shall be held to be invalid, illegal, or unenforceable in any respect, then such invalidity, illegality, or unenforceability shall not affect any other provision hereof or thereof, and such provision shall be limited and construed in such jurisdiction as if such invalid, illegal, or unenforceable provision, or portion thereof, were not contained herein or therein.

Section 7.4 Notices. Any notice, demand, consent, approval, direction, agreement, or other communication (any "Notice") required or permitted hereunder or under the other Loan Documents shall be in writing and shall be addressed as follows to the person entitled to receive the same:

(a) If to Mortgagor:

TF Portfolio II LLC
301 West Grand Avenue, #366
Chicago, Illinois 60654
Attn: Nicholas Tadros

with a copy to:

McDonald Hopkins, LLC
300 N. LaSalle Street, Suite 1400
Chicago, Illinois 60654
Attn: James V. Inendino, Esq.

(b) If to Lender:

Revere Tactical Opportunities REIT, LLC
Revere Tactical Opportunities Fund IV, LP
5910 N. Central Expressway, Suite 1600
Dallas, Texas 75206

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with a copy to:

Winstead PC
2728 N. Harwood Street
500 Winstead Building
Dallas, Texas 75201
Attn: John Adolph, Esq.

Any Notice required to be made under this Security Instrument shall be deemed to have been properly given (a) if hand delivered, when delivered; (b) if mailed by United States Certified Mail (postage prepaid, return receipt requested), three (3) days after mailing; (c) if by Federal Express or other reliable overnight courier service, on the next Business Day after delivered to such courier service, or (d) if by email on the day of transmission so long as copy is sent on the same day by overnight courier, each to the address as set forth above or to such other address as the respective parties may hereafter designate in writing. Rejection or other refusal by the addressee to accept or receipt the delivery, or the inability to deliver because of a changed address of which no Notice was given, shall be deemed to be the receipt of the Notice sent. By giving at least thirty (30) days prior notice thereof, Lender and Mortgagor shall have the right from time to time and at any time during the term of this Agreement to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

Section 7.5 Applicable Law. This Security Instrument shall be governed by and construed in accordance with the law of the State of Texas, EXCEPT AS TO MATTERS OF CREATION, NOTICE OF RECORDATION, PERFECTION AND FORECLOSURE OF LIENS AND SECURITY INTERESTS AND THE ENFORCEMENT OF REMEDIES AGAINST THE COLLATERAL LOCATED IN ILLINOIS, THE LAWS OF THE STATE OF ILLINOIS SHALL GOVERN EXCEPT TO THE EXTENT THAT, IN EACH CASE, THE LAWS OF THE UNITED STATES OF AMERICA AND ANY RULES, REGULATIONS, OR ORDERS ISSUED OR PROMULGATED THEREUNDER, APPLICABLE TO THE AFFAIRS AND TRANSACTIONS ENTERED INTO BY LENDER, OTHERWISE PREEMPT TEXAS OR ILLINOIS LAW, IN WHICH EVENT SUCH FEDERAL LAW SHALL CONTROL.

Section 7.6 Sole Discretion of Lender. Except as otherwise expressly provided herein, whenever Lender's judgment, consent, or approval is required hereunder for any matter, or Lender shall have an option or election hereunder, such judgment, the decision as to whether or not to consent to or approve the same, or the exercise of such option or election shall be in the sole discretion of Lender.

Section 7.7 Matters to be in Writing. This Security Instrument cannot be altered, amended, modified, terminated, or discharged except in a writing signed by the party against whom enforcement of such alteration, amendment, modification, termination, or discharge is sought. No waiver, release, or other forbearance by Lender will be effective against Lender unless it is in a writing signed by Lender, and then only to the extent expressly stated.

Section 7.8 Submission to Jurisdiction. WITHOUT LIMITING THE RIGHT OF LENDER TO BRING ANY ACTION OR PROCEEDING AGAINST THE UNDERSIGNED OR ITS PROPERTY ARISING OUT OF OR RELATING TO THE OBLIGATIONS (AN "ACTION") IN THE COURTS OF OTHER JURISDICTIONS, MORTGAGOR HEREBY IRREVOCABLY (I) SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS HAVING JURISDICTION IN THE CITY OF DALLAS, COUNTY OF DALLAS, AND STATE OF TEXAS, AND (II) WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY ACTION BROUGHT IN ANY SUCH COURT, WAIVES ANY CLAIM THAT ANY ACTION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM, AND FURTHER WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH ACTION, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER SUCH PARTY. MORTGAGOR DOES HEREBY DESIGNATE AND APPOINT:

CT Corporation System
1999 Bryan St., Ste. 900
Dallas, TX 75201

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AS ITS AUTHORIZED AGENT TO ACCEPT AND ACKNOWLEDGE ON ITS BEHALF SERVICE OF ANY AND ALL PROCESS WHICH MAY BE SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY FEDERAL OR STATE COURT IN DALLAS, TEXAS, AND AGREES THAT SERVICE OF PROCESS UPON SAID AGENT AT SAID ADDRESS AND WRITTEN NOTICE OF SAID SERVICE MAILED OR DELIVERED TO MORTGAGOR IN THE MANNER PROVIDED HEREIN SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON MORTGAGOR, IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF TEXAS. MORTGAGOR (I) SHALL GIVE PROMPT NOTICE TO LENDER OF ANY CHANGED ADDRESS OF ITS AUTHORIZED AGENT HEREUNDER, (II) MAY AT ANY TIME AND FROM TIME TO TIME DESIGNATE A SUBSTITUTE AUTHORIZED AGENT WITH AN OFFICE IN DALLAS, TEXAS (WHICH SUBSTITUTE AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS), AND (III) SHALL PROMPTLY DESIGNATE SUCH A SUBSTITUTE IF ITS AUTHORIZED AGENT CEASES TO HAVE AN OFFICE IN DALLAS, TEXAS, OR IS DISSOLVED WITHOUT LEAVING A SUCCESSOR.

Section 7.9 Construction of Provisions. The following rules of construction shall be applicable for all purposes of this Security Instrument, and all documents or instruments supplemental hereto, unless the context otherwise requires:

(a) All references herein to numbered Articles or Sections or to lettered Exhibits are references to the Articles and Sections hereof and the Exhibits annexed to this Security Instrument, unless expressly otherwise designated in context.

(b) The terms “*include*,” “*including*,” and similar terms shall be construed as if followed by the phrase “*without being limited to*.”

(c) The term “*Collateral*” and the term “*Premises*” shall be construed as if followed by the phrase “or any part thereof.”

(d) The term “*Obligations*” shall be construed as if followed by the phrase “or any other sums secured hereby, or any part thereof.”

(e) Words of masculine, feminine, or neuter gender shall mean and include the correlative words of the other genders, and words importing the singular number shall mean and include the plural number, and vice versa.

(f) The term “*person*” shall include natural persons, firms, partnerships, corporations, and any other public and private legal entities.

(g) All Article, Section, and Exhibit captions herein are used for convenience and reference only and in no way define, limit, or describe the scope or intent of, or in any way affect, this Security Instrument.

Section 7.10 Successors and Assigns. The provisions hereof shall be binding upon Mortgagor, and the heirs, devisees, representatives, successors, and assigns of Mortgagor, including successors in interest of Mortgagor in and to all or any part of the Collateral, and shall inure to the benefit of Lender and its respective heirs, successors, substitutes, and assigns. All references in this Security Instrument to Mortgagor, Lender shall be construed as including all of such other persons with respect to the person referred to. Where two or more persons have executed this Security Instrument, the obligations of such persons shall be joint and several, except to the extent the context clearly indicates otherwise.

Section 7.11 WAIVER OF TRIAL BY JURY AND CERTAIN DAMAGES. MORTGAGOR HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM FILED BY EITHER PARTY, WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THE LOAN EVIDENCED BY THE NOTE, THE GUARANTY, THIS SECURITY INSTRUMENT, THE LOAN DOCUMENTS, OR ANY ACTS OR OMISSIONS OF LENDER IN CONNECTION THEREWITH. FURTHER, MORTGAGOR WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER, IN ANY

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SUCH SUIT, ACTION OR PROCEEDING, ANY SPECIAL, EXEMPLARY, PUNITIVE, CONSEQUENTIAL OR OTHER DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. MORTGAGOR ACKNOWLEDGES AND AGREES THAT THIS SECTION IS A SPECIFIC AND MATERIAL ASPECT OF THIS SECURITY INSTRUMENT AND THAT LENDER WOULD NOT EXTEND CREDIT TO MORTGAGOR IF THE WAIVERS SET FORTH IN THIS SECTION WERE NOT A PART OF THIS SECURITY INSTRUMENT. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY MORTGAGOR, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. LENDER IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY MORTGAGOR.

Section 7.12 CROSS DEFAULT AND CROSS COLLATERAL. In furtherance of prior provisions hereof, Mortgagor agrees and acknowledge that the occurrence of an Event of Default under the terms of this Security Instrument shall constitute an Event of Default under the Note, the Guaranty, the Loan Agreement, and the other Loan Documents and under the documents evidencing any other loan now existing or hereafter made by Lender to Mortgagor which is secured by all or any portion of the Premises or other Collateral. The security interests, liens and other rights and interests in and relative to any of the Collateral now or hereafter granted to Lender by Mortgagor by or in any instrument or agreement, including but not limited to this Security Instrument and the other Loan Documents shall serve as security for any and all liabilities of Mortgagor to Lender, including but not limited to the liabilities described in this Security Instrument, the Note, the Guaranty, the Loan Agreement, and the other Loan Documents and, for the repayment thereof, Lender may resort to any security held by it in such order and manner as it may elect.

Section 7.13 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Article VII and the terms and conditions of this Security Instrument, the terms and conditions of this Article VII shall control and be binding.

Section 7.14 Interest Rate. Notwithstanding anything in the Loan Documents to the contrary, in case the interest rate provided for in the Loan Documents at any time exceeds the Maximum Rate, during such time the rate of interest provided for in the Loan Documents shall be reduced to the Maximum Rate allowed by such law, and the payments required hereunder shall be reduced accordingly.

Section 7.15 After-Acquired Property. All property acquired by Mortgagor after the date of this Security Instrument which by the terms of this Security Instrument shall be subject to the lien and the security interest created hereby, shall immediately upon the acquisition thereof by Mortgagor and without further mortgage, conveyance or assignment become subject to the lien and security interest created by this Security Instrument. Nevertheless, Mortgagor shall execute, acknowledge, deliver and record or file, as appropriate, all and every such further mortgages, security agreements, financing statements, assignments and assurances as Lender shall reasonably require for accomplishing the purposes of this Security Instrument.

Section 7.16 Indemnity; Expenses. Mortgagor will pay or reimburse Lender for all reasonable attorneys' fees, costs and expenses (including expenses of other professionals and experts and of the investigation and defense of any claim) incurred by either of them in any suit, action, legal proceeding or dispute of any kind in which either of them is made a party or appears as party plaintiff or defendant, affecting the Obligations, this Security Instrument or the interest created herein, or the Collateral, or any appeal thereof, including, but not limited to, activities related to enforcement of the remedies of Lender, activities related to protection of Lender's collateral, any foreclosure action or exercise of the power of sale, any condemnation action involving the Collateral or any action to protect the security hereof, any bankruptcy or other insolvency proceeding commenced by or against Mortgagor, and any such amounts paid or incurred by Lender shall be added to the Obligations and shall be secured by this Security Instrument. The agreements of this subsection shall expressly survive in perpetuity satisfaction of this Security Instrument and repayment of the Obligations, any release, reconveyance, discharge of foreclosure of this Security Instrument, conveyance by deed in lieu of foreclosure, sale, and any subsequent transfer by Lender's conveyance of the Collateral.

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Section 7.17 Release of and Resort to Collateral. Lender may release, regardless of consideration and without the necessity for any notice to a consent by the holder of any subordinate lien on the Collateral, any part of the Collateral without, as to the remainder, in any way impairing, affecting, subordinating or releasing the lien or security interests created in or evidenced by the Loan Documents or their stature as a first and prior lien and security interest in and to the Collateral. For payment of the Obligations, Lender may resort to any other security in such order and manner as Lender may elect.

Section 7.18 Waiver of Redemption, Notice and Marshalling of Assets. To the fullest extent permitted by law, Mortgagor hereby irrevocably and unconditionally waives and releases (i) all benefit that might accrue to Mortgagor by virtue of any present or future statute of limitations or law or judicial decision exempting the Collateral from attachment, levy or sale on execution or providing for any appraisal, valuation, stay of execution, exemption from civil process, redemption or extension of time for payment, (ii) all notices of any Event of Default or of Lender's election to exercise or its actual exercise of any right, remedy or recourse provided for under the Loan Documents, except as specifically required by the terms of this Security Instrument or the other Loan Documents, and (iii) any right to a marshalling of assets or a sale in inverse order of alienation.

Section 7.19 Discontinuance of Proceedings. If Lender shall have proceeded to invoke any right, remedy or recourse permitted under the Loan Documents and shall thereafter elect to discontinue or abandon it for any reason, Lender shall have the unqualified right to do so and, in such an event, Mortgagor, Lender shall be restored to their former positions with respect to the Obligations, the Loan Documents, the Collateral and otherwise, and the rights, remedies, recourses and powers of Lender shall continue as if the right, remedy or recourse had never been invoked, but no such discontinuance or abandonment shall waive any Event of Default which may then exist or the right of Lender thereafter to exercise any right, remedy or recourse under the Loan Documents for such Event of Default.

Section 7.20 No Mortgagee in Possession. Neither the enforcement of any of the remedies under this Security Instrument nor any other remedies afforded to Lender under the Loan Documents, at law or in equity, shall cause Lender to be deemed or construed to be a mortgagee in possession of the Collateral, to obligate Lender to lease the Collateral or attempt to do so, or to take any action, incur any expense, or perform or discharge any obligation, duty or liability whatsoever under any of the Leases or otherwise.

Section 7.21 Statutory Condition. This Security Instrument is granted by Mortgagor WITH MORTGAGE COVENANTS, and UPON STATUTORY CONDITION, and upon the further condition that all covenants and agreements of, and conditions imposed upon, Mortgagor contained herein and in the Loan Documents and the other obligations secured hereby shall be kept and fully performed, for any breach of which that is not cured within the applicable cure period following the giving of notice thereof if required, Lender shall have the STATUTORY POWER OF SALE to the extent permitted by law.

Section 7.22 Waiver of Statutory Rights. Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Security Instrument, but hereby waives the benefit of such laws to the full extent that Mortgagor may do so under applicable law. To the extent permitted by law, Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Premises marshaled upon any foreclosure of the lien of this Security Instrument and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety. Mortgagor hereby waives for itself and all who may claim through or under it, and to the full extent Mortgagor may do so under applicable law, any and all rights of redemption from sale under any order of decree of foreclosure of this Security Instrument or granted under any statute now existing or hereafter enacted.

Section 7.23 Absolute and Unconditional Obligation. Mortgagor acknowledges that Mortgagor's obligation to pay the Indebtedness in accordance with the provisions of the Loan Documents is and shall at all times continue to be absolute and unconditional in all respects, and shall at all times be valid and enforceable irrespective of any other agreements or circumstances of any nature whatsoever which might otherwise constitute a defense to the Note or this Security Instrument or the obligation of Mortgagor thereunder to pay the Indebtedness or the obligations of any other person relating to the Note or this Security Instrument or the obligations of Mortgagor under the Note or this Security Instrument or otherwise with respect to the obligations secured hereby, and Mortgagor absolutely,

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unconditionally and irrevocably waives any and all right to assert any defense, setoff, counterclaim or crossclaim of any nature whatsoever with respect to the obligation of Mortgagor to pay the Indebtedness in accordance with the provisions of the Note and this Security Instrument or the obligations of any other person relating to the Note or this Security Instrument or obligations of Mortgagor under the Note or this Security Instrument or otherwise with respect to the obligations secured hereby in any action or proceeding brought by Lender to collect the Indebtedness, or any portion thereof, or to enforce, foreclose and realize upon the lien and security interest created by this Security Instrument or any other document or instrument securing repayment of the Indebtedness, in whole or in part (provided, however, that the foregoing shall not be deemed a waiver of Mortgagor's right to assert any compulsory counterclaim maintained in a court of the United States, or of the State of Texas if such counterclaim is compelled under local law or rule of procedure, nor shall the foregoing be deemed a waiver of Mortgagor's right to assert any claim which would constitute a defense, setoff, counterclaim or crossclaim of any nature whatsoever against Lender in any separate action or proceeding).

Section 7.24 No Credits on Account of the Debt. Mortgagor will not claim or demand or be entitled to any credit or credits on account of the Indebtedness for any part of the taxes assessed against the Premises or any part thereof and no deduction shall otherwise be made or claimed from the taxable value of the Premises, or any part thereof, by reason of this Security Instrument or the Indebtedness. If at any time this Security Instrument shall secure less than all of the principal amount of the Indebtedness, it is expressly agreed that any repayment of the principal amount of the Indebtedness shall not reduce the amount of the lien of this Security Instrument until the lien amount shall equal the principal amount of the Indebtedness outstanding.

Section 7.25 Offsets, Claims, Defenses or Counterclaims of Mortgagor or any Other Obligated Party to any Action Brought by Lender. Any assignee of this Security Instrument and the Note shall take the same free and clear of all offsets, counterclaims or defenses of any nature whatsoever which Mortgagor may have against any assignor of this Security Instrument and the Note, and no such offset, counterclaim or defense shall be interposed or asserted by Mortgagor in any action or proceeding brought by any such assignee upon this Security Instrument or the Note and any such right to interpose or assert any such offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by Mortgagor.

Section 7.26 Documentary Stamps. If at any time in the United States of America, any state thereof, or any governmental subdivision of any such state, shall require revenue or other stamps to be affixed to the Note or this Security Instrument or to the Loan Documents, Mortgagor will pay for the same, with interest and penalties thereon, if any.

Section 7.27 Filing Of Security Instrument, Etc. Mortgagor forthwith upon the execution and delivery of this Security Instrument and thereafter, from time to time, will cause this Security Instrument, and any security instrument creating a lien or evidencing the lien hereof upon the Premises and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect, preserve and perfect the lien hereof upon, and the interest of Lender in, the Premises. Mortgagor will pay all filing, registration and recording fees and all expenses incident to the preparation, execution and acknowledgment of this Security Instrument, any mortgage supplemental hereto, any security instrument with respect to the Premises, and any instrument of further assurance, and all Federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Security Instrument, any mortgage supplemental hereto, any security instrument with respect to the Premises or any instrument of further assurance. Mortgagor shall hold harmless and indemnify Lender and its respective successors and assigns against any liability incurred by reason of the imposition of any tax on the making and recording of this Security Instrument.

Section 7.28 Counterparts. This Security Instrument may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute but one instrument.

Section 7.29 State Law Provisions. In the event of any inconsistencies between the terms and conditions of this Section 7.29 and the other terms and conditions of this Security Instrument, the terms and conditions of this Section 7.29 will control and be binding. In the event any provision in this Security Instrument shall be inconsistent with any provision of the Act, the provisions of the Act shall take precedence over the

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provisions of this Security Instrument, but shall not invalidate or render unenforceable any other provisions of this Security Instrument that can be construed in a manner consistent with the Act.

(a) *Maximum Principal Sum.* The Obligations are to be secured by other mortgages and deeds of trust on other real estate in other counties. Each and all of such mortgages and deeds of trust are intended to and shall constitute security for the entire Indebtedness represented by the Obligations without allocation. Notwithstanding anything herein to the contrary, it is agreed that the maximum amount of Indebtedness secured by this Security Instrument, including all advancements, at any one time shall not exceed \$44,500,000.00.

(b) *In Rem Proceedings.* Supplementing Section 7.8 hereof, mortgage foreclosures and other *In Rem* proceedings against Mortgagor may be brought in Cook County, Illinois or any federal court of competent jurisdiction in Illinois.

(c) *Business Loan.* Mortgagor represents and warrants to Lender that the proceeds of the Indebtedness secured hereby shall be used solely for business purposes and in furtherance of the regular business affairs of Mortgagor, and the entire principal obligation secured by this Security Instrument constitutes (i) a "business loan" as that term is defined in, and for all purposes of, 815 ILCS 205/4(1)(c) and (ii) a "loan secured by a mortgage on real estate" within the purview and operation of 815 ILCS 205/4(l).

(d) *Collateral Protection Act.* Pursuant to the terms of the Illinois Collateral Protection Act, 815 ILCS 180/1 et seq., Mortgagor is hereby notified that:

UNLESS MORTGAGOR PROVIDES LENDER WITH EVIDENCE OF THE INSURANCE COVERAGE REQUIRED BY THIS SECURITY INSTRUMENT AND THE LOAN DOCUMENTS, LENDER MAY PURCHASE INSURANCE AT MORTGAGOR'S EXPENSE TO PROTECT LENDER'S INTERESTS IN THE PREMISES, IMPROVEMENTS AND COLLATERAL, WHICH INSURANCE MAY, BUT NEED NOT, PROTECT THE INTERESTS OF MORTGAGOR. THE COVERAGE PURCHASED BY LENDER MAY NOT PAY ANY CLAIM MADE BY MORTGAGOR OR ANY CLAIM MADE AGAINST MORTGAGOR IN CONNECTION WITH THE PREMISES, IMPROVEMENTS OR COLLATERAL. MORTGAGOR MAY LATER CANCEL ANY INSURANCE PURCHASED BY LENDER, BUT ONLY AFTER PROVIDING LENDER WITH EVIDENCE THAT MORTGAGOR HAS OBTAINED THE INSURANCE AS REQUIRED HEREUNDER. IF LENDER PURCHASES INSURANCE FOR THE PREMISES, IMPROVEMENTS OR COLLATERAL, MORTGAGOR WILL BE RESPONSIBLE FOR THE COSTS OF SUCH INSURANCE, INCLUDING INTEREST AND ANY OTHER CHARGES IMPOSED BY LENDER IN CONNECTION WITH THE PLACEMENT OF THE INSURANCE, UNTIL THE EFFECTIVE DATE OF THE CANCELLATION OR EXPIRATION OF THE INSURANCE. THE COSTS OF THE INSURANCE MAY BE ADDED TO THE OBLIGATIONS SECURED HEREBY. THE COSTS OF SUCH INSURANCE MAY BE GREATER THAN THE COST OF INSURANCE MORTGAGOR MAY BE ABLE TO OBTAIN FOR ITSELF.

(e) *Illinois Mortgage Foreclosure Law.* It is the express intention of Mortgagor and Lender that the enforcement of the terms and provisions of this Security Instrument shall be accomplished in accordance with the Act and with respect to the Act, Mortgagor agrees and covenants that:

(i) Mortgagor and Lender shall have the benefit of all of the provisions of the Act and applicable law, including all amendments thereto which may become effective from time to time after the date hereof. In the event any provision of the Act which is specifically referred to herein may be repealed, Lender shall have the benefit of such provision as most recently existing prior to such repeal, as though the same were incorporated herein by express reference;

(ii) Wherever provision is made in this Security Instrument or the Loan Agreement for insurance policies to bear mortgagee clauses or other loss payable clauses or endorsements in favor of Lender, or to confer authority upon Lender to settle or participate in the settlement of losses under policies of insurance or to hold and disburse or otherwise control use of insurance proceeds, from and after the entry of judgment of foreclosure, all such rights and powers of Lender shall continue in Lender as judgment creditor or mortgagee until confirmation of sale;

(iii) All Protective Advances shall have the benefit of all applicable provisions of the Act, including the following provisions of the Act:

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(A) all advances by Lender in accordance with the terms of the Security Instrument to: (1) preserve, maintain, repair, restore or rebuild the improvements upon the Premises; (2) preserve the lien of the Security Instrument or the priority thereof; or (3) enforce the Security Instrument, as referred to in Subsection (b)(5) of Section 5/15-1302 of the Act;

(B) payments by Lender of (1) principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrances; (2) real estate taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever which are assessed or imposed upon the Premises or any part thereof; (3) other obligations authorized by the Security Instrument; or (4) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, as referred to in Section 5/15-1505 of the Act;

(C) advances by Lender in settlement or compromise of any claims asserted by claimants under senior mortgages or any other prior liens;

(D) reasonable attorneys' fees and other costs incurred: (1) in connection with the foreclosure of the Security Instrument as referred to in Section 5/15-1504(d)(2) and 5/15-1510 of the Act; (2) in connection with any action, suit or proceeding brought by or against the Lender for the enforcement of the Security Instrument or arising from the interest of the Lender hereunder; or (3) in preparation for or in connection with the commencement, prosecution or defense of any other action related to the Security Instrument or the Premises, Improvements or Collateral;

(E) Lender's fees and costs, including reasonable attorneys' fees, arising between the entry of judgment of foreclosure and the confirmation hearings as referred to in Section 5/15-1508(b)(1) of the Act; and

(F) expenses deductible from proceeds of sale as referred to in Section 5/15-1512(a) and (b) of the Act.

(iv) All Protective Advances shall be so much additional indebtedness secured by this Security Instrument, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the rate of interest payable after default under the terms of the Loan Agreement. This Security Instrument shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Security Instrument is recorded pursuant to Subsection (b)(5) of Section 5/15-1302 of the Act;

(v) In addition to any provision of this Security Instrument authorizing Lender to take or be placed in possession of the Collateral, or for the appointment of a receiver, Lender shall have the right, in accordance with Sections 5/15-1701 and 5/15-1702 of the Act, to be placed in possession of the Collateral or at its request to have a receiver appointed, and such receiver, or Lender, if and when placed in possession, shall have, in addition to any other powers provided in this Security Instrument, all rights, powers, immunities, and duties as provided for in Sections 5/15-1701, 5/15-1703 and 5/15-1704 of the Act;

(vi) Mortgagor acknowledges that the Collateral does not constitute agricultural real estate, as said term is defined in Section 5/15-1201 of the Act or residential real estate as defined in Section 5/15-1219 of the Act;

(vii) Mortgagor hereby voluntarily and knowingly waives its statutory rights to reinstatement and redemption pursuant to Section 5/15-1601(b) of the Act or to cure any defaults, except such rights of reinstatement and cure as may be expressly provided by the terms of this Security Instrument and the other Loan Documents;

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(viii) Without limiting the generality of the foregoing, all expenses incurred by Lender to the extent reimbursable under Sections 15-1510 and 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether provided for in this Security Instrument, shall be added to the indebtedness secured by this Security Instrument or by the judgment of foreclosure;

(ix) the powers, authorities and duties conferred upon Lender, in the event that the Lender takes possession of the Collateral, and upon a receiver hereunder, shall also include all such powers, authority and duties as may be conferred upon a mortgagee in possession or receiver under and pursuant to the Act. To the extent the Act may limit the powers, authorities and duties purportedly conferred hereby, such power, authorities and duties shall include those allowed, and be limited as proscribed by the Act at the time of their exercise or discharge;

(x) Mortgagor knowingly and voluntarily waives, on behalf of itself and all persons or entities now or hereafter interested in the Property, to the fullest extent permitted by applicable law including the Act, (A) all rights under all appraisal, homestead, moratorium, valuation, exemption, stay, extension, redemption, single action, election of remedies and marshaling statutes, laws or equities now or hereafter existing and (B) any and all requirements that at any time any action may be taken against any other person or entity and Mortgagor agrees that no defense based on any thereof will be asserted in any action enforcing this Security Instrument; and

(xi) MORTGAGOR HEREBY KNOWINGLY AND VOLUNTARILY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHTS OF REDEMPTION FROM SALE OR OTHERWISE UNDER ANY ORDER OR DECREE OF FORECLOSURE, DISCLAIMS ANY STATUS WHICH IT MAY HAVE AS AN "OWNER OF REDEMPTION" AS THAT TERM MAY BE DEFINED IN SECTION 15-1212 OF THE ACT, PURSUANT TO RIGHTS HEREIN GRANTED, ON BEHALF OF MORTGAGOR AND ALL PERSONS BENEFICIALLY INTERESTED THEREIN, AND EACH AND EVERY PERSON ACQUIRING ANY INTEREST IN, OR TITLE TO, THE COLLATERAL DESCRIBED HEREIN SUBSEQUENT TO THE DATE OF THIS SECURITY INSTRUMENT, AND ON BEHALF OF ALL OTHER PERSONS TO THE FULLEST EXTENT PERMITTED BY THE PROVISIONS OF THE ILLINOIS STATUTES.

(f) *Variable Rate; Additional Interest.* This Security Instrument secures the full and timely payment of the Indebtedness, including, among other things, the obligation to pay interest on the unpaid principal balance at a variable rate of interest as provided in the Loan Agreement.

[Remainder of this page intentionally left blank; signature page follows]

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EXHIBIT A

LEGAL DESCRIPTION OF PREMISES

LOT 103, EXCEPT THE SOUTH 20 FEET THEREOF, IN CATALINA'S COMMERCIAL AND INDUSTRIAL SUBDIVISION OF LOTS 3 AND 6 IN SILVER LAKE GARDENS UNIT NUMBER 7, A SUBDIVISION OF PART OF THE WEST 1/4 OF SECTION 18, TOWNSHIP 36 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 22, 1976 AS DOCUMENT NO. 23423778, IN COOK COUNTY, ILLINOIS.

FOR INFORMATIONAL PURPOSES ONLY:

PIN 28-18-300-010-0000

ADDRESS: 7120 W. 159th Street, Orland Park, IL 60462

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EXHIBIT B

DESCRIPTION OF PERSONAL PROPERTY SECURITY

1. All machinery, apparatus, goods, equipment, materials, fittings, fixtures, chattels, and tangible personal property, and all appurtenances and additions thereto and betterments, renewals, substitutions, and replacements thereof, now owned or hereafter acquired by Mortgagor, wherever situate, and now or hereafter located on, attached to, contained in, or used or usable in connection with the Premises and the Improvements or placed on any part thereof, though not attached thereto, including all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, electrical, lighting, plumbing, ventilating, air-conditioning, refrigerating, incinerating and/or compacting plants, systems, fixtures and equipment, elevators, hoists, stoves, ranges, vacuum and other cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, ducts, conduits, dynamos, engines, compressors, generators, boilers, stokers, furnaces, pumps, tanks, appliances, equipment, fittings, and fixtures.
2. All funds, accounts, deposits, instruments, documents, contract rights, general intangibles, notes, and chattel paper arising from or by virtue of any transaction related to the Premises, the Improvements, or any of the personal property described in this Exhibit B.
3. All permits, licenses, franchises, certificates, and other rights and privileges now held or hereafter acquired by Mortgagor in connection with the Premises, the Improvements, or any of the personal property described in this Exhibit B.
4. All right, title, and interest of Mortgagor in and to the name and style by which the Premises and/or the Improvements is known, including trademarks, copyrights, service marks, logos, designs and trade names relating thereto.
5. All right, title, and interest of Mortgagor in, to, and under all plans, specifications, maps, surveys, reports, permits, licenses, architectural, engineering and construction contracts, service or maintenance contracts, management agreements, equipment leases, books of account, insurance policies, and other documents of whatever kind or character, relating to the use, construction upon, occupancy, leasing, sale, or operation of the Premises and/or the Improvements.
6. All interests, estates, or other claims or demands, in law and in equity, which Mortgagor now has or may hereafter acquire in the Premises, the Improvements, or the personal property described in this Exhibit B.
7. All right, title, and interest now owned or hereafter acquired by Mortgagor in and to all options to purchase or lease the Premises, the Improvements, or any other personal property described in this Exhibit B, or any portion thereof or interest therein, and in and to any greater estate in the Premises, the Improvements, or any of the personal property described in this Exhibit B.
8. All of the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance relating thereto, which Mortgagor now has or may hereafter acquire in the Premises, the Improvements, or any portion thereof or interest therein, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of such property, including without limitation, any award resulting from a change of any streets (whether as to grade, access, or otherwise) and any award for severance damages.
9. All right, title, and interest of Mortgagor in and to all contracts, permits, certificates, licenses, approvals, utility deposits, utility capacity, and utility rights issued, granted, agreed upon, or otherwise provided by any governmental or private authority, person or entity relating to the ownership, development, construction, operation, maintenance, marketing, sale, or use of the Premises and/or the Improvements, including all of Mortgagor's rights and privileges hereto or hereafter otherwise arising in connection with or pertaining to the Premises and/or the Improvements, including, without limiting the generality of the foregoing, all water and/or

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sewer capacity, all water, sewer and/or other utility deposits or prepaid fees, and/or all water and/or sewer and/or other utility tap rights or other utility rights, any right or privilege of Mortgagor under any loan commitment, lease, contract, declaration of covenants, restrictions and easements or like instrument, developer's agreement, or other agreement with any third party pertaining to the ownership, development, construction, operation, maintenance, marketing, sale, or use of the Premises and/or the Improvements.

AND ALL PROCEEDS AND PRODUCTS OF THE FOREGOING PERSONAL PROPERTY DESCRIBED IN THIS EXHIBIT B.

A PORTION OF THE ABOVE DESCRIBED GOODS ARE OR ARE TO BE AFFIXED TO THE REAL PROPERTY DESCRIBED IN EXHIBIT A.

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EXHIBIT C

PERMITTED ENCUMBRANCES

[to be inserted]

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