

Illinois Anti-Predatory  
Lending Database  
Program

Doc#: 2407424495 Fee: \$107.00  
KAREN A. YARBROUGH  
COOK COUNTY CLERK'S OFFICE  
Date 3/14/2024 2:32 PM Pg: 1 of 16

Certificate of Exemption



Report Mortgage Fraud  
844-768-1713

The property identified as: **PIN:** 20-25-409-039-0000

**Address:**

**Street:** 7647 SOUTH CHAPPEL AVENUE

**Street line 2:**

**City:** CHICAGO

**State:** IL

**ZIP Code:** 60649

**Lender:** DHM Industries, Inc. a Utah corporation dba DOHARDMONEY.COM and/or The Investor's Edge

**Borrower:** 7647 SOUTH CHAPPEL AVENUE INDUSTRIES, LLC

**Loan / Mortgage Amount:** \$225,700.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is not owner-occupied.

**Certificate number:** A79D3586-7901-4EB0-913C-ABB9867AD046

**Execution date:** 3/12/2024

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This document was prepared by,  
and after recording return to:

DHM Industries, Inc.  
8846 S Redwood Road, Suite C212  
West Jordan, Utah 84088

Permanent Tax Index Number(s):  
\_\_\_\_\_

Property Address:  
7647 SOUTH CHAPPEL AVENUE  
CHICAGO, IL 60649

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## MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING (ILLINOIS)

THIS MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING (ILLINOIS) (this "Mortgage") is dated as of 12/03, 2024 by and from 7647 SOUTH CHAPPEL AVENUE INDUSTRIES, LLC, a Utah limited liability company ("Mortgagor"), whose address is 6224 EDGEBROOK LN W, INDIAN HEAD PARK, IL 60525, in favor of DHM Industries, Inc. a Utah corporation dba DOHARDMONEY.COM and/or Investor's Edge ("Mortgagee"), having an address at 8846 S Redwood Road, Suite C212, West Jordan, Utah 84088.

### ARTICLE 1 DEFINITIONS

**Section 1.1 Definitions.** All capitalized terms used herein without definition shall have the respective meanings ascribed to them in that certain Letter of Intent to Lead dated 28 FEBRUARY 2024 (as may be further amended, supplemented or otherwise modified from time to time, collectively, the "Credit Agreement"), which is incorporated herein by reference, between Mortgagor and Mortgagee. As used herein, the following terms shall have the following meanings:

1.1.1 "**Indebtedness**": That certain Promissory Note ("Term Note") of even date herewith in the principal amount of \$225,700.00 plus interest earned thereon in accordance with the terms of the Term Note, and including, without limitation, any amendments, modifications, extensions, renewals and additional advances under the Term Note. The Term Note together with other loan documents executed by Mortgagor, including, without limitation, any of the Assignment of Purchase Contract, Personal Guaranty, and Improvement Escrow Agreement, are hereinafter referred to as the "Credit Documents."

1.1.2 "**Mortgaged Property**": All of Mortgagor's interest in (1) the fee interest in the real property located at 7647 SOUTH CHAPPEL AVENUE, CHICAGO, IL 60649 and more particularly described in Exhibit A attached hereto and incorporated herein by this reference, together with any greater estate therein as hereafter may be acquired by Mortgagor (the "Land"), (2) all improvements now owned or hereafter acquired by Mortgagor, now or at any time situated, placed or constructed upon the Land (the "Improvements"), (3) all materials, supplies, equipment, apparatus and other items of personal property now owned or hereafter acquired by Mortgagor and now or hereafter attached to, installed in or used in connection with any of the Improvements or the Land, and water, gas, electrical, storm and sanitary sewer facilities and all other utilities whether or not situated in easements (the

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“**Fixtures**”), (4) all right, title and interest of Mortgagor in and to all goods, accounts, general intangibles, instruments, documents, chattel paper and all other personal property of any kind or character, including such items of personal property as defined in the UCC (defined below), now owned or hereafter acquired by Mortgagor and now or hereafter affixed to, placed upon, used in connection with, arising from or otherwise related to the Land and Improvements (the “**Personalty**”), (5) all reserves, escrows or impounds required under the Credit Agreement and all deposit accounts maintained by Mortgagor with respect to the Mortgaged Property, (6) all leases, licenses, concessions, occupancy agreements or other agreements (written or oral, now or at any time in effect) which grant to any Person a possessory interest in, or the right to use, all or any part of the Mortgaged Property, together with all related security and other deposits (the “**Leases**”), (7) all of the rents, revenues, income, proceeds, profits, security and other types of deposits, and other benefits paid or payable by parties to the Leases for using, leasing, licensing, possessing, operating from, residing in, selling or otherwise enjoying the Mortgaged Property (the “**Rents**”), (8) all other agreements, such as construction contracts, architects’ agreements, engineers’ contracts, utility contracts, maintenance agreements, management agreements, service contracts, permits, licenses, certificates and entitlements in any way relating to the construction, use, occupancy, operation, maintenance, enjoyment or ownership of the Mortgaged Property (the “**Property Agreements**”), (9) all rights, privileges, tenements, hereditaments, rights-of-way, easements, appendages and appurtenances appertaining to the foregoing, (10) all accessions, replacements and substitutions for any of the foregoing and all proceeds thereof, (11) all insurance policies, unearned premiums therefor and proceeds from such policies covering any of the above property now or hereafter acquired by Mortgagor, and (12) all of Mortgagor’s right, title and interest in and to any awards, remunerations, reimbursements, settlements or compensation heretofore made or hereafter to be made by any governmental authority pertaining to the Land, Improvements, Fixtures or Personalty. As used in this Mortgage, the term “**Mortgaged Property**” shall mean all or, where the context permits or requires, any portion of the above or any interest therein.

1.1.3 “**Obligations**”: All of the agreements, covenants, conditions, warranties, representations and other obligations of Mortgagor (including, without limitation, the obligation to repay the Indebtedness) under the Credit Agreement and the other Credit Documents.

1.1.4 “**UCC**”: The creation, perfection and enforcement of any security interest herein granted is governed by the Uniform Commercial Code of the state of Utah.

1.1.5 “**Incorporation by Reference**”: The Credit Agreement and the Credit Documents and the terms contained therein are hereby incorporated by reference into this Mortgage as if set forth verbatim. In executing this Mortgage, Mortgagor agrees to be bound by all provisions of the Credit Agreement and the Credit Documents.

## ARTICLE 2 GRANT

### Section 2.1 Grant.

2.1.1 To secure the full and timely payment of the Indebtedness and the full and timely performance of the Obligations, Mortgagor MORTGAGES, GRANTS, BARGAINS, ASSIGNS, SELLS and CONVEYS, to Mortgagee the Mortgaged Property, subject, however, to the Permitted Encumbrances, TO HAVE AND TO HOLD the Mortgaged Property to Mortgagee and its successors and assigns forever, subject, however, to the terms and conditions herein, and Mortgagor does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND the title to the Mortgaged Property unto Mortgagee.

2.1.2 Mortgagor covenants the Mortgagor is lawfully seized of the Mortgaged Property in fee simple absolute, that Mortgagor has good right and is lawfully authorized to sell, convey or encumber the same, and that the Mortgaged Property is free and clear of all encumbrances except as expressly provided herein. Mortgagor further covenants to warrant and forever defend all and singular Mortgagee and the successors and assigns of Mortgagee

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from and against Mortgagor and all persons whomsoever lawfully claiming the Mortgaged Property or any part of the Mortgaged Property.

2.1.3 PROVIDED ALWAYS, nevertheless, and it is the true intent and meaning of Mortgagor and Mortgagee, that if Mortgagor pays or causes to be paid to Mortgagee the Indebtedness and Obligations, the estate hereby granted shall cease, determine and be utterly null and void; otherwise said estate shall remain in full force and effect.

2.1.4 The lien and estate of this Mortgage will automatically attach, without further act, to all fixtures now or hereafter located in or on, or attached to, or used or intended to be used in connection with or with the operation of, the Mortgaged Property or any part of the Mortgaged Property.

**Section 2.2 Future Advances.** In addition to all other indebtedness secured by this Mortgage, this Mortgage shall also secure and constitute a first-position mortgage and lien on the Mortgaged Property for present and future obligations of Mortgagor to Mortgagee, and this Mortgage is executed to secure all such obligations. Any future obligations and advances may be made in accordance with the Credit Agreement or the Credit Documents, at the option of the Mortgagee. The total amount of the indebtedness that may be secured by this Mortgage may increase or decrease from time to time. The amount of the present disbursement secured hereby (**the original principal balance**) is **\$225,700.00 with an interest impound of \$19,184.50 (prepaid at closing)**, together with default interest on the original principal balance if not repaid at maturity; **provided, however**, the said original principal amount may be increased by such additional sums or amounts as may be advanced by Mortgagee pursuant to this Mortgage, Credit Agreement and all other Credit Documents and all such additional sums and amounts shall be deemed necessary expenditures for the protection of the security. Mortgagee's reservation of the right to make future advances in excess of the face amount of the Obligations is not an indication that the Mortgagee intends to make such future advances.

## ARTICLE 3

### WARRANTIES, REPRESENTATIONS AND COVENANTS

Mortgagor warrants, represents and covenants to Mortgagee as follows:

**Section 3.1 Title to Mortgaged Property and Priority of this Instrument.** Mortgagor owns the Mortgaged Property free and clear of any mortgages, liens, claims or interests other than the Permitted Liens (as shown on the approved policy of title insurance in the name of Mortgagee, as insured). This Mortgage creates a valid, enforceable first priority mortgage, lien and security interest against the Mortgaged Property, subject only to the Permitted Liens.

**Section 3.2 First Priority Status.** Mortgagor shall preserve and protect the first priority mortgage, lien and security interest status of this Mortgage, the Credit Agreement and the other Credit Documents. If any mortgage, lien or security interest is asserted against the Mortgaged Property, Mortgagor shall promptly, and at its expense, (a) give Mortgagee a detailed written notice of such mortgage, lien or security interest (including origin, amount and other terms), and (b) pay the underlying claim in full or take such other action so as to cause it to be released or contest the same, but only with the advanced written approval of Mortgagee, which may be withheld for any reason in its sole discretion, and, if approved by Mortgagee, by providing a bond or other security satisfactory to Mortgagee and meeting such other conditions as may be imposed by Mortgagee in its sole discretion.

**Section 3.3 Payment and Performance.** Mortgagor shall pay the Indebtedness when due under the Credit Agreement and the other Credit Documents and shall perform the Obligations in full when they are required to be performed.

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**Section 3.4 Replacement of Fixtures.** Mortgagor shall not, without the prior written consent of Mortgagee permit any of the Fixtures to be removed at any time from the Land or Improvements, unless the removed item is removed temporarily for maintenance and repair or, if removed permanently, is obsolete and is replaced by an article of equal or better suitability and value, owned by Mortgagor subject to the mortgage, liens and security interests of this Mortgage, the Credit Agreement and the other Credit Documents, and free and clear of any other mortgage, lien or security interest except Permitted Liens.

**Section 3.5 Inspection.** Mortgagor shall permit Mortgagee and the Lenders, and their respective agents, representatives and employees, upon reasonable prior notice to Mortgagor, to inspect the Mortgaged Property and all books and records of Mortgagor located thereon, and to conduct such environmental and engineering studies as provided in the Credit Agreement.

**Section 3.6 Other Covenants.** All of the covenants in the Credit Agreement are incorporated herein by reference and, together with covenants in this Article, shall be covenants running with the land.

### **Section 3.7 Condemnation Awards and Insurance Proceeds.**

**3.7.1 Condemnation Awards.** Mortgagee shall be entitled to be made a party to, be notified by Mortgagor of and to participate in any proceeding, whether formal or informal, for condemnation or acquisition pursuant to power of eminent domain of any portion of the Mortgaged Property. Mortgagor assigns to Mortgagee the right to collect and receive any payment or award to which Mortgagor would otherwise be entitled by reason of condemnation or acquisition pursuant to power of eminent domain of any portion of the Mortgaged Property. Any such payment or award received by Mortgagee may, at Mortgagee's option (i) be applied by Mortgagee to payment of any Indebtedness or any Obligations in such order as Mortgagee may determine or (ii) be applied in a manner determined by Mortgagee to the replacement of the portion of the Mortgaged Property taken and to the repair or restoration of the remaining portion of the Mortgaged Property or (iii) be released to Mortgagor upon such conditions as Mortgagee may determine or (iv) be used for any combination of the foregoing purposes. No portion of an indemnity payment which is applied to replacement, repair or restoration of any portion of the Mortgaged Property or which is released to Mortgagor shall be deemed a payment against any Indebtedness or any Obligations.

**3.7.2 Insurance Proceeds.** Mortgagor will keep the Land, Improvements, Fixtures and Personality (collectively, the "Insured Premises") insured by such company or companies as Mortgagee may reasonably approve for the full insurable value thereof in accordance with the Credit Agreement. Such insurance will be payable to Mortgagee as the interest of Mortgagee may appear pursuant to the Utah standard form of mortgage clause or such other form of mortgage clause as may be required by Mortgagee and will not be cancelable by either the insurer or the insured without at least thirty days' prior written notice to Mortgagee. Mortgagor hereby assigns to Mortgagee the right to collect and receive any indemnity payment otherwise owed to Mortgagor upon any policy of insurance insuring any portion of the Insured Premises, regardless of whether Mortgagee is named in such policy as a person entitled to collect upon the same. Any indemnity payment received by Mortgagee from any such policy of insurance shall be applied as set forth in the Credit Agreement. No portion of any indemnity payment which is applied to the replacement, repair or restoration of any portion of the Insured Premises or which is released to Mortgagor shall be deemed a payment against any Indebtedness or any Obligations. Mortgagor will keep the Insured Premises continuously insured as herein required and will deliver to Mortgagee the original of each policy of insurance required hereby. Mortgagor will pay each premium coming due on any such policy of insurance and will deliver to Mortgagee proof of such payment coming due on any such policy of insurance and will deliver to Mortgagee proof of such payment at least ten days prior to the date such premium would become overdue or delinquent. Upon the expiration or termination of any such policy of insurance, Mortgagor will furnish to Mortgagee at least ten days prior to such expiration or termination the original of a renewal or replacement policy of insurance meeting the requirements of this Mortgage. Upon foreclosure of this Mortgage, all right, title and interest of Mortgagor in and to any policy of insurance upon the Insured Premises which is in the custody of Mortgagee, including the right to unearned premiums, shall vest in the purchaser of the Insured Premises at foreclosure, and

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Mortgagor hereby appoints Mortgagee as the attorney in fact of Mortgagor to assign all right, title and interest of Mortgagor in and to any such policy of insurance to such purchaser. This appointment is coupled with an interest and shall be irrevocable.

**Section 3.8 Maintenance.** Mortgagor will maintain the Mortgaged Property in good condition and repair and will neither permit nor allow waste of any portion of the Mortgaged Property. Mortgagor will promptly repair or restore any portion of the Mortgaged Property which is damaged or destroyed by any cause whatsoever and will promptly pay when due all costs and expenses of such repair or restoration. Mortgagor will not remove or demolish any improvement or fixture which is now or hereafter part of the Mortgaged Property and will cut no timber on the Mortgaged Property without the express written consent of Mortgagee. Mortgagee shall be entitled to specific performance of the provisions of this paragraph.

**Section 3.9 Taxes and Assessments.** Mortgagor will pay all taxes, assessments and other charges which constitute or are secured by a lien upon the Mortgaged Property, and will deliver to Mortgagee proof of payment of the same not less than ten (10) days prior to the date the same becomes delinquent; provided that Mortgagor shall be entitled by appropriate proceedings to contest the amount or validity of such tax, assessment or charge so long as the collection of the same is stayed during the pendency of such proceedings and Mortgagor deposits with the authority to which such tax, assessment or charge is payable or with Mortgagee appropriate security for payment of the same, together with any applicable interest and penalties, should the same be determined due and owing.

**Section 3.10 Due on Sale.** Mortgagor agrees that if the Mortgaged Property or any part thereof or interest therein if sold, assigned, transferred, conveyed, encumbered, or otherwise alienated by Mortgagor, whether voluntarily or involuntarily or by operation of law, Mortgagee, at its own option, may declare the Indebtedness secured hereby and all other Obligations hereunder to be forth with due and payable.

## ARTICLE 4 DEFAULT AND FORECLOSURE

**Section 4.1 Remedies.** If an Event of Default exists, Mortgagee may, at Mortgagee's election, exercise any or all of the following rights, remedies and recourses:

**4.1.1 Acceleration.** Declare the Indebtedness to be immediately due and payable without further notice, presentment, protest, notice of intent to accelerate, notice of acceleration, demand or action of any nature whatsoever (each of which hereby is expressly waived by Mortgagor), whereupon the same shall become immediately due and payable.

**4.1.2 Entry on Mortgaged Property.** Enter the Mortgaged Property and take exclusive possession thereof and of all books, records and accounts relating thereto or located thereon. If Mortgagor remains in possession of the Mortgaged Property after an Event of Default and without Mortgagee's prior written consent, Mortgagee may invoke any legal remedies to dispossess Mortgagor.

**4.1.3 Operation of Mortgaged Property.** Hold, lease, develop, manage, operate or otherwise use the Mortgaged Property upon such terms and conditions as Mortgagee may deem reasonable under the circumstances (making such repairs, alternations, additions and improvements and taking other actions, from time to time, as Mortgagee deems necessary or desirable), and apply all Rents and other amounts collected by Mortgagee in connection therewith in accordance with the provisions of Section 4.6.

**4.1.4 Foreclosure and Sale; Power of Sale.** Commence proceedings to collect such sums, foreclose this Mortgage and sell the Mortgaged Property. If default shall be made in the payment of any amount due under this Mortgage, the Credit Agreement or any other Credit Document, then, upon Mortgagee's demand, Mortgagor will pay to Mortgagee the whole amount due and payable under the Credit Agreement and the other Credit Documents

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and all other Indebtedness or Obligations; and if Mortgagor shall fail to pay such sums upon such demand, Mortgagee shall be entitled to sue for and to recover judgment for the whole amount so due and unpaid together with costs and expenses including the reasonable compensation, expenses and disbursements of Mortgagee's agents and attorneys incurred in connection with such suit and any appeal of such suit. Mortgagee shall be entitled to sue and recover judgment, as set forth above, either before, after or during the pendency of any proceedings for the enforcement of this Mortgage, and the right of Mortgagee to recover such judgment shall not be affected by any taking, possession or foreclosure sale under this Mortgage, or by the exercise of any other right, power or remedy for the enforcement of the terms of this Mortgage, or the foreclosure of this Mortgage. At the option of the Mortgagee, this Mortgage may be foreclosed by judicial proceedings, or by non-judicial foreclosure sale in accordance with applicable laws, and to sell and dispose of the Mortgaged Property and all the right, title, and interest of Mortgagor herein, by sale at any place authorized by law as may be specified in the notice of such sale to the highest bidder. If this Mortgage is foreclosed by non-judicial foreclosure sale pursuant to the power of sale, Mortgagee shall give notice of the foreclosure by publication once a week for 3 successive weeks. Such notice shall state the time, place and terms of each such sale by publication in some newspaper published in the county or counties in which the Mortgaged Property to be sold, or a substantial and material part thereof, is located. At such foreclosure sale, Mortgagee may sell the Mortgaged Property (or such part or parts thereof as Mortgagee may from time to time elect to sell) in front of the courthouse door of such county, at public outcry, to the highest bidder for cash. The sale shall be held between the hours of 11:00 a.m. and 4:00 p.m. on the day designated for the exercise of the power of sale hereunder. The Mortgaged Property may be sold as a whole or in separate parts, parcels, or tracts, including separate parts, parcels or tracts located in the same county, and in such manner and order as the Mortgagee in its sole discretion may elect. The exercise of the power of sale with respect to a separate part, parcel, or tract of the Mortgaged Property in one county does not extinguish or otherwise affect the right to exercise the power of sale with respect to the other parts, parcels, or tracts of the Mortgaged Property in that or another county to satisfy the obligation secured by the Mortgage, and the right and power of sale arising out of any Event of Default shall not be exhausted by one or more sales of the Mortgaged Property. At the foreclosure, Mortgagee shall be entitled to bid and to purchase the Mortgaged Property and shall be entitled to apply the Indebtedness or Obligations, or any portion thereof, in payment for the Mortgaged Property. The Mortgagee shall be authorized to retain an attorney to represent him in such proceedings. Upon such sale, Mortgagee or the attorney conducting said sale is hereby authorized and empowered to make due conveyance to the purchaser or purchasers in the name of Mortgagor. The Mortgagor hereby irrevocably appoints Mortgagee to be the attorney in fact of the Mortgagor and in the name and on behalf of the Mortgagor to execute and deliver any deeds, transfers, conveyances, assignments, assurances, and notices which the Mortgagor ought to execute and deliver and do and perform any and all such acts and things which Mortgagor ought to do and perform under the covenants herein contained and generally to use the name of Mortgagor in the exercise of all or any of the powers hereby conferred on Mortgagee. Upon any sale, whether under the power of sale hereby given or otherwise, it shall not be necessary for Mortgagee or any public officer acting under execution or order of court to have physically present or constructively in its possession any of the Mortgaged Properties. The proceeds of the sale shall be applied in accordance with Section 4.6 herein. Fees payable herein and otherwise under this Mortgage shall be limited to those reasonable fees and expenses actually incurred at standard hourly rates without reference to a specific percentage of the outstanding balance of the Indebtedness. In case of a foreclosure sale of all or any part of the Mortgaged Property and of the application of the proceeds of sale to the payment of the Indebtedness or Obligations, Mortgagee shall be entitled to enforce payment of and to receive all amounts then remaining due and unpaid and to recover judgment for any portion thereof remaining unpaid, with interest. The remedies provided to Mortgagee in this paragraph shall be in addition to and not in lieu of any other rights and remedies provided in this Mortgage or any other Credit Document, by law or in equity, all of which rights and remedies may be exercised by Mortgagee independently, simultaneously or consecutively in any order without being deemed to have waived any right or remedy previously or not yet exercised.

Without in any way limiting the generality of the foregoing, Mortgagee shall also have the following specific rights and remedies.

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(a) To make any repairs to the Mortgaged Property which Mortgagee deems necessary or desirable for the purposes of sale.

(b) To exercise any and all rights of set-off which Mortgagee may have against any account, fund, or property of any kind, tangible or intangible, belonging to Mortgagor which shall be in Mortgagee's possession or under its control.

(c) To cure such Event of Default, with the result that all costs and expenses incurred or paid by Mortgagee in effecting such cure shall be additional charges on the Indebtedness or Obligations which bear interest at the interest rate set forth in the Credit Agreement or applicable Credit Documents and are payable upon demand.

(d) To foreclose on the Mortgaged Property and to pursue any and all remedies available to Mortgagee at law or in equity, and in any order Mortgagee may desire, in Mortgagee's sole discretion.

**4.1.5 Receiver.** Upon the occurrence of an Event of Default, Mortgagee, if it so chooses in its sole discretion, shall be entitled to the appointment of a receiver to enter upon and take and maintain full control of the Mortgaged Property in order to perform all acts necessary and appropriate for the operation and maintenance of the Mortgaged Property including the execution, cancellation or modification of leases, the making of repairs to the Mortgaged Property and the execution or termination of contracts providing for the construction, management or maintenance of the Mortgaged Property, all on such terms as are deemed best to protect the security of this Mortgage. The receiver shall be entitled to receive a reasonable fee for so managing the Mortgaged Property. All rents collected pursuant to this paragraph shall be applied in accordance with Section 4.6 herein. Mortgagee or the receiver shall have access to the books and records used in the operation and maintenance of the Mortgaged Property and shall be liable to account only for those rents actually received. Mortgagee shall not be liable to Mortgagor or anyone claiming under or through Mortgagor, or anyone having an interest in the Mortgaged Property by reason of anything done or left undone by Mortgagor under this Section 4.1.5. If the rents of the Mortgaged Property are not sufficient to meet the costs of taking control and of managing the Mortgaged Property and collecting the rents, Mortgagee, at its sole option, may advance funds to meet the costs. Any funds expended by Mortgagee for such purposes shall become Indebtedness and Obligations of Mortgagor to Mortgagee. Unless Mortgagee and Mortgagor agree in writing to other terms of payment, such amounts shall be payable upon notice from Mortgagee to Mortgagor requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in the Credit Agreement after the occurrence of an Event of Default. The entering upon and taking and maintaining of control of the Mortgaged Property by Mortgagee or the receiver and the application of rents as provided in this Mortgage shall not cure or waive any Event of Default or invalidate any other right or remedy of Mortgagee under this Mortgage. Notwithstanding the appointment of any receiver or other custodian, Mortgagee shall be entitled as secured party hereunder to the possession and control of any cash deposits or instrument at the time held by, or payable or deliverable under the terms of this Mortgage to, Mortgagee.

**4.1.6 Other.** Exercise all other rights, remedies and recourses granted under the Credit Agreement and the other Credit Documents or otherwise available at law or in equity.

**Section 4.2 Remedies Cumulative, Concurrent and Nonexclusive.** Mortgagee and the Lenders shall have all rights, remedies and recourses granted in the Credit Agreement and the other Credit Documents and available at law or equity (including the UCC), which rights (a) shall be cumulated and concurrent, (b) may be pursued separately, successively or concurrently against Mortgagor or others obligated under the Credit Agreement and the other Credit Documents, or against the Mortgaged Property, or against any one or more of them, at the sole discretion of Mortgagee or the Lenders, (c) may be exercised as often as occasion therefor shall arise, and the exercise or failure to exercise any of them shall not be construed as a waiver or release thereof or of any other right, remedy or recourse, and (d) are intended to be, and shall be, nonexclusive. No action by Mortgagee or the Lenders in the enforcement of any rights, remedies or recourses under the Credit Agreement and the other Credit Documents or otherwise at law or equity shall be deemed to cure any Event of Default. After Mortgagee provides at least ten

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(10) days prior written notice to Mortgagor, then Mortgagee may conduct a public sale of any collateral or personal property (including LLC ownership interests) pledged by Mortgagor under any Security Agreement. The Public Sale of such collateral shall be conducted by a constable on the front steps of the Third District Court for Salt Lake County, Salt Lake Department, as provided in the notice of the public sale.

**Section 4.3 Release of and Resort to Collateral.** Mortgagee may release, regardless of consideration and without the necessity for any notice to or consent by the holder of any subordinate mortgage or lien on the Mortgaged Property, any part of the Mortgaged Property without, as to the remainder, in any way impairing, affecting, subordinating or releasing the mortgage, lien or security interest created in or evidenced by the Credit Agreement and the other Credit Documents or their status as a first and prior mortgage, lien and security interest in and to the Mortgaged Property. For payment of the Indebtedness, Mortgagee may resort to any other security in such order and manner as Mortgagee may elect.

**Section 4.4 Waiver of Redemption, Notice and Marshalling of Assets.** To the fullest extent permitted by law, Mortgagor hereby irrevocably and unconditionally waives and releases (a) all benefit that might accrue to Mortgagor by virtue of any present or future statute of limitations or law or judicial decision exempting the Mortgaged Property from attachment, levy or sale on execution or providing for any stay of execution, exemption from civil process, redemption or extension of time for payment, (b) all notices of any Event of Default or of Mortgagee's election to exercise or the actual exercise of any right, remedy or recourse provided for under the Credit Agreement and the other Credit Documents, and (c) any right to a marshalling of assets or a sale in inverse order of alienation.

**Section 4.5 Discontinuance of Proceedings.** If Mortgagee or the Lenders shall have proceeded to invoke any right, remedy or recourse permitted under the Credit Agreement and the other Credit Documents and shall thereafter elect to discontinue or abandon it for any reason, Mortgagee or the Lenders, as the case may be, shall have the unqualified right to do so and, in such an event, Mortgagor, Mortgagee or the Lenders, as the case may be, shall be restored to their former positions with respect to the Indebtedness, the Obligations, the Credit Agreement and the other Credit Documents, the Mortgaged Property and otherwise, and the rights, remedies, recourses and powers of Mortgagee and the Lenders 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 Mortgagee or the Lenders, as the case may be, thereafter to exercise any right, remedy or recourse under the Credit Agreement and the other Credit Documents for such Event of Default.

**Section 4.6 Allocation of Proceeds.** The proceeds of any sale of, and the Rents and other amounts generated by the holding, leasing, management, operation or other use of the Mortgaged Property, shall be applied by Mortgagee (or the receiver, if one is appointed) in the following order unless otherwise required by applicable law:

4.6.1 to the payment of the reasonable costs and expenses of taking possession of the Mortgaged Property and of holding, using, leasing, repairing, improving and selling the same, including, without limitation (1) receiver's fees, commissions and expenses, including the repayment of the amounts evidenced by any receiver's certificates, (2) Mortgagee's reasonable court costs and reasonable attorneys' and accountants' fees and expenses, (3) costs of advertisement, and (4) the payment of all real estate taxes and assessments and other charges subject to which the Mortgaged Property may be sold;

4.6.2 to the payment of the Indebtedness and performance of the Obligations in such manner and order of preference as Mortgagee in its sole discretion may determine; and

4.6.3 the balance, if any, to the payment of the Persons legally entitled thereto.

**Section 4.7 Occupancy After Foreclosure.** Any sale of the Mortgaged Property or any part thereof in accordance with Section 4.14 will, after the expiration of any upset period, divest all right, title and interest of

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Mortgagor in and to the property sold. Subject to applicable law, any purchaser at a foreclosure sale will receive immediate possession of the property purchased. If Mortgagor retains possession of such property or any part thereof subsequent to such sale, Mortgagor will be considered a tenant at sufferance of the purchaser, and will, if Mortgagor remains in possession after demand to remove, be subject to eviction and removal, with or without process of law.

## **Section 4.8 Additional Advances and Disbursements; Costs of Enforcement.**

4.8.1 If any Event of Default exists, Mortgagee and each of the Lenders shall have the right, but not the obligation, to cure such Event of Default in the name and on behalf of Mortgagor. All sums advanced and expenses incurred at any time by Mortgagee or any Lender under this Section, or otherwise under this Mortgage, the Credit Agreement or any of the other Credit Documents or applicable law, shall be deemed advances of principal evidenced by the Credit Agreement and the other Credit Documents and shall bear interest from the date that such sum is advanced or expense incurred, to and including the date of reimbursement, computed at the rate or rates at which interest is then computed on the Indebtedness, and all such sums, together with interest thereon, shall be secured by this Mortgage.

4.8.2 Mortgagor shall pay all expenses (including reasonable attorneys' fees and expenses) of or incidental to the perfection, foreclosure and other enforcement of this Mortgage, the Credit Agreement and the other Credit Documents, or the enforcement, compromise or settlement of the Indebtedness or any claim under this Mortgage, the Credit Agreement and the other Credit Documents, and for the curing thereof, or for defending or asserting the rights and claims of Mortgagee in respect thereof, by litigation or otherwise. Attorneys' fees and expenses payable by Mortgagor under this Section 4.8 or otherwise under this Mortgage shall be limited to those reasonable fees and expenses actually incurred at standard rates without reference to a specific percentage of the outstanding balance of the Indebtedness.

**Section 4.9 No Mortgagee in Possession.** Except as otherwise provided by law, neither the enforcement of any of the remedies under this Article, the assignment of the Rents and Leases under Article 5, the security interests under Article 6, nor any other remedies afforded to Mortgagee under the Credit Agreement and the other Credit Documents, at law or in equity shall cause Mortgagee or any Lender to be deemed or construed to be a mortgagee in possession of the Mortgaged Property, to obligate Mortgagee or any Lender to lease the Mortgaged Property 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.

## ARTICLE 5

### **PROHIBITION OF LEASING OR RENTING ASSIGNMENT OF RENTS AND LEASES**

**Section 5.1 Prohibition of Rental and Assignment.** Mortgagor shall not rent out or lease out the Mortgaged Property during the term of the Promissory Note, or before the Promissory Note is paid off in full. After the Promissory Note is paid off, and this Mortgage is released or discharged, then the Mortgagor or owner of the Property may lease or rent out the property. If the Mortgagor rents out or leases the Mortgaged Property to a tenant, that shall constitute an Event of Default under the terms of this Mortgage and the Promissory Note. Notwithstanding the foregoing, in furtherance of and in addition to the assignment made by Mortgagor in Section 2.1 of this Mortgage, Mortgagor hereby absolutely and unconditionally assigns, sells, transfers and conveys to Mortgagee and its successors and assigns all of its right, title and interest in and to all Leases, whether now existing or hereafter entered into or modified, extended, renewed or replaced, and all of its right, title and interest in and to all Rents. If permitted under applicable law, this assignment is an absolute assignment and not merely an assignment for additional security. So long as no Event of Default shall have occurred and be continuing, Mortgagor shall have a revocable license from Mortgagee to exercise all rights extended to the landlord under the Leases, including the right to receive and collect all Rents and to hold the Rents in trust for use in the payment and

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performance of the Indebtedness and the Obligations and to otherwise use the same. The foregoing license is granted subject to the conditional limitation that no Event of Default shall have occurred and be continuing. Upon the occurrence and during the continuance of an Event of Default, whether or not legal proceedings have commenced, and without regard to waste, adequacy of security for the Indebtedness and the Obligations or solvency of Mortgagor, the license herein granted shall automatically expire and terminate, without notice by Mortgagee (any such notice being hereby expressly waived by Mortgagor).

**Section 5.2 Perfection Upon Recordation.** Mortgagor acknowledges that Mortgagee has taken all actions necessary to obtain, and that upon recordation of this Mortgage Mortgagee shall have, to the extent permitted under applicable law, a valid and fully perfected first priority present assignment of the Rents arising out of the Leases and all security for such Leases. Mortgagor acknowledges and agrees that upon recordation of this Mortgage Mortgagee's interest in the Rents shall be deemed to be fully perfected, "choate" and enforced as to Mortgagor and all third parties, including, without limitation, any subsequently appointed trustee in any case under Title 11 of the United States Code (the "Bankruptcy Code"), without the necessity of commencing a foreclosure action with respect to this Mortgage, making for no demand for the Rents, obtaining the appointment of a receiver or taking any other affirmative action.

**Section 5.3 Bankruptcy Provisions.** Without limitation of the absolute nature of the assignment of the Rents hereunder, Mortgagor and Mortgagee agree that (a) this Mortgage shall constitute a "security agreement" for purposes of Section 552(b) of the Bankruptcy Code, (b) the security interest created by this Mortgage extends to property of Mortgagor acquired before the commencement of a case in bankruptcy and to all amounts paid as Rents and (c) such security interest shall extend to all Rents acquired by the estate after the commencement of any case in bankruptcy.

**Section 5.4 No Merger of Estates.** So long as part of the indebtedness and the Obligations secured hereby remain unpaid and undischarged, the fee and leasehold estates to the Mortgaged Property shall not merge, but shall remain separate and distinct, notwithstanding the union of such estates either in Mortgagor, Mortgagee, any tenant or any third party by purchase or otherwise.

## ARTICLE 6 SECURITY AGREEMENT

**Section 6.1 Security Interest.** This Mortgage constitutes a "Security Agreement" on personal property within the meaning of the UCC and other applicable law and with respect to the Personalty, Fixtures, Leases, Rents and Property Agreements. To this end, Mortgagor grants to Mortgagee a first and prior security interest in the Personalty, Fixtures, Leases, Rents and Property Agreements and all other Mortgaged Property which is personal property to secure the payment of the Indebtedness and performance of the Obligations, and agrees that Mortgagee shall have all the rights and remedies of a secured party under the UCC with respect to such property. Any notice of sale, disposition or other intended action by Mortgagee with respect to the Personalty, Fixtures, Leases, Rents and Property Agreements sent to Mortgagor at least 10 days prior to any action under the UCC shall constitute reasonable notice to Mortgagor.

**Section 6.2 Financing Statements.** Mortgagee may prepare, in form and substance satisfactory to Mortgagee, such financing statements and such further assurances as Mortgagee may, from time to time, reasonably consider necessary to create, perfect and preserve Mortgagee's security interest hereunder and Mortgagee may cause such statements and assurances to be recorded and filed, at such times and places as may be required or permitted by law to so create, perfect and preserve such security interest. Mortgagor represents and warrants that the exact legal name and address of the Mortgagor are as set forth in the first paragraph of this Mortgage; and a statement indicating the types, or describing the items, of collateral is set forth hereinabove. Mortgagor represents and warrants that the location of the collateral that is Personalty is upon the Land. Mortgagor covenants to furnish Mortgagee with notice

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of any change in the name, identity, corporate structure, residence, principal place of business or mailing address of Mortgagor within ten (10) days of the effective date of any such change and Mortgagor covenants to promptly execute any financing statements or other instruments deemed necessary by Mortgagee to prevent any filed financing statement from becoming misleading or losing its perfected status.

**Section 6.3 Fixture Filing.** This Mortgage shall also constitute a "fixture filing" for the purposes of the UCC against all of the Mortgaged Property which is or is to become fixtures. Information concerning the security interest herein granted may be obtained at the addresses of Debtor (Mortgagor) and Secured Party (Mortgagee) as set forth in the first paragraph of this Mortgage. The collateral is or includes fixtures.

## ARTICLE 7 MISCELLANEOUS

**Section 7.1 Notices.** Any notice required or permitted to be given under this Mortgage shall be in writing and sent by registered or certified mail to the addresses specified in the first paragraph hereof. Either party may modify its address by notifying the other party as provided in this Section.

**Section 7.2 Covenants Running with the Land.** All Obligations contained in this Mortgage are intended by Mortgagor and Mortgagee to be, and shall be construed as, covenants running with the Mortgaged Property. As used herein, "Mortgagor" shall refer to the party named in the first paragraph of this Mortgage and to any subsequent owner of all or any portion of the Mortgaged Property. All Persons who may have or acquire an interest in the Mortgaged Property shall be deemed to have notice of, and be bound by, the terms of the Credit Agreement and the other Credit Documents; however, no such party shall be entitled to any rights thereunder without the prior written consent of Mortgagee.

**Section 7.3 Attorney-in-Fact.** Mortgagor hereby irrevocably appoints Mortgagee and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest, (a) to execute and/or record any notices of completion, cessation of labor or any other notices that Mortgagee deems appropriate to protect Mortgagee's interest, if Mortgagor shall fail to do so within ten (10) days after written request by Mortgagee, (b) upon the issuance of a deed pursuant to the foreclosure of this Mortgage or the delivery of a deed in lieu of foreclosure, to execute all instruments of assignment, conveyance or further assurance with respect to the Leases, Rents, Personalty, Fixtures and Property Agreements in favor of the grantee of any such deed and as may be necessary or desirable for such purpose, (c) to prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve Mortgagee's security interests and rights in or to any of the Mortgaged Property, and (d) while any Event of Default exists, to perform any obligation of Mortgagor hereunder, however: (1) Mortgagee shall not under any circumstances be obligated to perform any obligation of Mortgagor; (2) any sums advanced by Mortgagee in such performance shall be added to and included in the Indebtedness and shall bear interest at the rate or rates at which interest is then computed on the Indebtedness; (3) Mortgagee as such attorney-in-fact shall only be accountable for such funds as are actually received by Mortgagee; and (4) Mortgagee shall not be liable to Mortgagor or any other person or entity for any failure to take any action which it is empowered to take under this Section.

**Section 7.4 Successors and Assigns.** This Mortgage shall be binding upon and inure to the benefit of Mortgagee, the Lenders, and Mortgagor and their respective successors and assigns. Mortgagor shall not, without the prior written consent of Mortgagee, assign any rights, duties or obligations hereunder.

**Section 7.5 No Waiver.** Any failure by Mortgagee to insist upon strict performance of any of the terms, provisions or conditions of the Credit Agreement and the other Credit Documents shall not be deemed to be a waiver of same, and Mortgagee or the Lenders shall have the right at any time to insist upon strict performance of all of such terms, provisions and conditions.

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**Section 7.6 Credit Agreement.** If any conflict or inconsistency exists between this Mortgage and the Credit Agreement, the Credit Agreement shall govern.

**Section 7.7 Release or Reconveyance.** Upon payment in full of the Indebtedness and performance in full of the Obligations and the Lenders having no further commitment or agreement to make advances, incur obligations, or give value under the Credit Agreement or any other Credit Document, this Mortgage and the grants and conveyances contained herein shall become null and void; and the Mortgaged Property shall revert to the Mortgagor; and the entire estate, right, title and interest of the Mortgagee shall thereupon cease; and, upon Mortgagor's request, Mortgagee, at Mortgagor's expense, shall release and cancel of record the mortgage, liens and security interests created by this Mortgage or reconvey the Mortgaged Property to Mortgagor; otherwise, this Mortgage shall remain in full force and effect. In addition, as long as no Event of Default has occurred and is then continuing or would be caused thereby, if Mortgagor sells or transfers for value any portion of the Mortgaged Property as permitted under the Credit Agreement, Mortgagee shall release the mortgage, liens and security interests created by this Mortgage on such Mortgaged Property or reconvey such Mortgaged Property to Mortgagor, concurrently with the consummation of such sale or other transfer. Such release or reconveyance shall be at Mortgagor's sole cost and expense, and only upon not less than thirty days' prior written notice to Mortgagee.

**Section 7.8 Waiver of Stay, Moratorium and Similar Rights.** Mortgagor agrees, to the full extent that it may lawfully do so, that it will not at any time insist upon or plead or in any way take advantage of any stay, marshalling of assets, extension, redemption or moratorium law now or hereafter in force and effect so as to prevent or hinder the enforcement of the provisions of this Mortgage or the Indebtedness secured hereby, or any agreement between Mortgagor and Mortgagee or any rights or remedies of Mortgagee or the Lenders.

**Section 7.9 Applicable Law.** The provisions of this Mortgage regarding the creation, perfection and enforcement of the mortgage, liens and security interests herein granted shall be governed by and construed under the laws of the state in which the Mortgaged Property is located. All other provisions of this Mortgage and the Obligations shall be governed by the laws of the State of Utah, without regard to conflicts of laws principles.

**Section 7.10 Headings.** The Article, Section and Subsection titles herein are inserted for convenience of reference only and shall in no way alter, modify or define, or be used in construing the text of such Articles, Sections or Subsections.

**Section 7.11 Entire Agreement.** This Mortgage, the Credit Agreement and the other Credit Documents embody the entire agreement and understanding between Mortgagee and Mortgagor and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and the *et seq.* Accordingly, the Credit Agreement and the other Credit Documents may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties. This agreement may be amended only with the written consent of the Mortgagor and Mortgagee, or their respective heirs, successors and assigns.

## ARTICLE 8 LOCAL LAW PROVISIONS

**Section 8.1 Insurance and Taxes.** Mortgagor shall at all times provide, maintain and keep in force or cause to be provided, maintained and keep in force, at no expense to Mortgagee, policies of insurance in form and amounts and issued by companies, associations or organizations reasonably satisfactory to Mortgagee covering such casualties, risks, perils, liabilities and other hazards as set forth in the Credit Agreement or as Mortgagee reasonably requires. Mortgagor shall pay, or cause to be paid prior to delinquency, all real property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, including, without limitation, nongovernmental levies or assessments such as maintenance charges, levies or charges resulting from

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covenants, conditions and restrictions affecting the Mortgaged Property, which are assessed or imposed upon the Mortgaged Property, or become due and payable, and which create, may create or appear to create a lien upon the Mortgaged Property or any part thereof, or upon any person, property, equipment or other facility used in the operation or maintenance thereof (all the above collectively hereinafter referred to as "Impositions"); provided, however, if, by law any such Imposition is payable, or may at the option of the taxpayer be paid, in installments, Mortgagor may pay the same or cause it to be paid, together with any accrued interest on the unpaid balance of such Imposition, in installments before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest. If Mortgagor does not pay such insurance premiums and Impositions in accordance with the foregoing, Mortgagee may pay such amounts and Mortgagor shall reimburse Mortgagee upon demand for such payments and such reimbursement obligation shall be added to the Obligations secured hereby.

(This section left intentionally blank, signature page follows).

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IN WITNESS WHEREOF, Mortgagor has on the date set forth in the acknowledgement hereto, effective as of the date first above written, caused this instrument to be signed in its company name by its duly authorized Manager AND DELIVERED by authority of its Member duly given.

7647 SOUTH CHAPPEL AVENUE INDUSTRIES, LLC

By: Ariunchimeg Batbold  
Name: **ARIUNCHIMEG BATBOLD**  
Title: Manager

STATE OF IL  
COUNTY OF COOK

I, Kelsey Burke, a Notary Public for said County and State, do hereby certify that **ARIUNCHIMEG BATBOLD**, the Manager of **7647 SOUTH CHAPPEL AVENUE INDUSTRIES, LLC**, a Utah limited liability company, whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he/she, as such officer and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Witness my hand and official stamp or seal, this 17<sup>th</sup> day of March, 2024.  
Kelsey Burke  
Notary Public

NOTARIAL SEAL:



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**EXHIBIT "A"**

**LEGAL DESCRIPTION OF THE LAND**

Property of Cook County Clerk's Office