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## MORTGAGE

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**THIS MORTGAGE AND SECURITY AGREEMENT** made as of July 3, 1990, by and between VENTURE STORES, INC., a Delaware corporation having a principal place of business at 2001 East Terra Lane, O'Fallon, Missouri 63366-0110, herein called Mortgagor, and PRINCIPAL MUTUAL LIFE INSURANCE COMPANY, an Iowa corporation, having its principal place of business and post office address at 711 High Street, Des Moines, Iowa 50392-0200, herein called Mortgagee.

### WITNESSETH:

Property

THAT pursuant to the terms of that certain Loan Agreement of even date herewith, by and between Mortgagor and Mortgagee (the "Loan Agreement" -- all capitalized terms not otherwise defined herein shall have the same meanings ascribed to such terms in the Loan Agreement), Mortgagor is justly indebted to Mortgagee for money borrowed in the aggregate principal sum of SEVENTY FIVE MILLION and 00/100 DOLLARS (\$75,000,000.00) evidenced by Mortgagor's Notes of even date herewith, made payable and delivered to Mortgagee, in which Notes Mortgagor promises to pay to Mortgagee said principal sum or so much thereof as may be advanced from time to time by Mortgagee, together with interest at the rate, at the times, and installments as in the Notes provided, until the entire principal and accrued interest have been paid, but in any event, the unpaid balance (if any) remaining due on the Notes shall be due and payable on the first day of July, 2000 (the "Maturity Date").

NOW, THEREFORE, to secure the payment of the said indebtedness in accordance with the terms and conditions hereof, the Loan Agreement and of the Notes, that may now or hereafter become owing from Mortgagor to Mortgagee and the performance of the covenants and agreements contained herein, and in consideration of Ten Dollars in hand paid, the receipt, sufficiency and adequacy of which are hereby acknowledged, Mortgagor does by these presents hereby GRANT, REMISE, ALIEN, MORTGAGE and CONVEY unto Mortgagee, its successors and assigns forever, that certain real estate and all of Mortgagor's estate, right, title and interest therein, legally described in Exhibit A attached hereto and made a part thereof, which real estate (the "Land"), together with the following described property, rights and interests, are collectively referred to herein as the "premises."

**BOX 333 - GG**

**PREPARED BY AND AFTER  
RECORDING PLEASE RETURN TO:**

**RUDNICK & WOLFE**  
203 North LaSalle Street  
Suite 1800  
Chicago, IL 60601  
Attn: Larry H. Pachter, Esq.

COOK COUNTY, ILLINOIS

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Together with Mortgagor's interest as lessor in and to all leases of the Land, or any part thereof, heretofore or hereafter made and entered into by Mortgagor during the life of this mortgage or any extension or renewal hereof and all rents under the Leases, all Proceeds and all Awards (which are pledged primarily and on a parity with the Land and not secondarily).

Together with Mortgagor's interest in and to all and singular the tenements, hereditaments, easements, appurtenances, passages, waters, water courses, riparian rights, other rights, liberties and privileges thereof or in any way now or hereafter appertaining, including any other claim at law or in equity as well as any after-acquired title, franchise or license and the reversion and reversions and remainder and remainders thereof.

Together with all right, title and interest of Mortgagor in any and all buildings and improvements of every kind and description now or hereafter erected or placed on the Land (the "Improvements"; the Land and the Improvements are herein collectively referred to as the "Property") and all materials intended for construction, reconstruction, alteration and repairs of the Improvements, all of which materials shall be deemed to be included within the premises immediately upon the delivery thereof to the premises, and all Building Equipment (as defined below) now or hereafter owned by Mortgagor and attached to or contained in and used in connection with the Property; and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to said Improvements in any manner; it being mutually agreed, intended and declared that all the aforesaid property owned by Mortgagor and placed by it on the Property or used in connection with the operation or maintenance of the Property shall, so far as permitted by law, be deemed to form a part and parcel of the Property and for the purpose of this Mortgage to be Property and covered by this Mortgage, and as to any of the Property aforesaid which does not so form a part and parcel of the Property or does not constitute a "fixture" (as such term is defined in the Uniform Commercial Code as enacted in the State of Illinois (the "Code")) this Mortgage is hereby deemed to be, as well, a Security Agreement under the Code for the purpose of creating hereby a security interest in such property which Mortgagor hereby grants to Mortgagee as Secured Party. For purposes hereof the term "Building Equipment" shall, subject to the following sentence, include all right, title and interest of Mortgagor in and to all machinery, apparatus, equipment, fittings and fixtures now or hereafter located on, in or about or affixed to the premises or any part thereof and now or hereafter used in the operation of any building owned by Mortgagor and located on the Property or any part thereof and including, without limitation, all engines, furnaces, boilers, stokers, pumps, heaters, plumbing, lifting and ventilating apparatus, air cooling and air conditioning apparatus, gas and electrical fixtures. The term Building Equipment shall exclude (i) trade fixtures and personal property owned by third party space or ground tenants, and (ii) movable trade fixtures, partitions, furniture, furnishings and equipment (including, without limitation, point of sale terminals and security and telephone systems) used, or procured for use, in connection with the operation of any business conducted on the Property and not otherwise necessary for the operation of any building located on the Property.

Together with all right, title and interest of Mortgagor, now or hereafter acquired, in and to any and all strips and gores of land adjacent to and used in connection with the Land and all right, title and interest of Mortgagor, now owned or

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hereafter acquired, in, to, over and under the ways, streets, sidewalks and alleys adjoining the Land.

**TO HAVE AND TO HOLD** the same unto the Mortgagee, its successors and assigns forever, for the purposes and uses herein set forth.

Mortgagor represents and warrants that it is the absolute owner in fee simple of the Land described in Exhibit A, and that the Property is free and clear of any liens or encumbrances except as set forth in Exhibit B attached hereto, and except for taxes which are not yet delinquent (hereafter the "Permitted Exceptions"). Mortgagor shall forever warrant and defend its title to the Property against all adverse claims and demands of all persons whomsoever and will on demand execute any additional instrument which may be required to give Mortgagee a valid first lien on all of the Property, except with respect to the matters set forth in Exhibit B.

**MORTGAGOR COVENANTS, WARRANTIES AND AGREES AS FOLLOWS:**

1. Mortgagor shall
  - (a) pay each item of indebtedness secured by this mortgage when due according to the terms hereof and of the Notes;
  - (b) pay upon demand a late charge equal to two percent (2%) of any installment of interest and principal which is not paid by the due date thereof to cover the expense involved in handling such late payment;
  - (c) comply with the Loan Agreement in accordance with its terms; and
  - (d) except as otherwise provided under the Loan Agreement, not make a Prohibited Transfer; provided that Mortgagee may consent to a Prohibited Transfer and expressly waive this provision in writing to Mortgagor, however any such consent and waiver shall not constitute any consent or waiver of this provision as to any Prohibited Transfer other than that for which the consent and waiver was expressly granted; Mortgagee's ability to consent to any Prohibited Transfer and waive this provision implies no standard of reasonableness in determining whether or not such consent shall be granted and the same may be based upon what Mortgagee solely deems to be in its best interest; without limiting Mortgagee's right to withhold its consent and waiver entirely, such consent and waiver may be conditioned upon an increase in the rate of interest under the Note and the imposition of other terms and conditions thereunder or hereunder; any Prohibited Transfer made, created or permitted in violation of this provision, except as otherwise permitted pursuant to the terms and conditions of this Mortgage or the Loan Agreement, shall be null and void and in addition to the other rights and remedies available to Mortgagee hereunder, Mortgagee shall have the option of declaring the unpaid principal balance of the Note, together with all accrued and unpaid interest, premium, if any, and all other sums and charges evidenced thereby or owing hereunder, immediately due and payable.
2. Subject to Mortgagor's rights to contest, as contained in the Loan Agreement, Mortgagor shall pay or cause to be paid when due and before any penalty attaches or interest accrues all general taxes, special taxes, assessments (including

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assessments for benefits from public works or improvements whenever begun or completed), water charges, sewer service charges, vault or space charges and all other like charges against or affecting the Property or against any Building Equipment located on the Property, or which might become a lien on the Property (collectively referred to herein as the "Taxes").

3. The Loan Agreement is hereby incorporated herein by this reference as fully and with the same effect as if set forth herein at length. This Mortgage secures all funds advanced pursuant to the Loan Agreement (which advances shall constitute part of the indebtedness, whether more or less than the principal amount stated in the Notes) and the punctual performance, observance and payment by Mortgagor of all of the requirements of the Loan Agreement to be performed, observed or paid by Mortgagor. In the event of express and direct contradiction between any of the provisions of the Loan Agreement and any of the provisions contained herein, then the provisions contained in the Loan Agreement shall control. Subject to the provisions and limitations of Section 2.2 of the Loan Agreement, any warranties, representations and agreements made in the Loan Agreement by Mortgagor shall survive the execution and recording of this Mortgage and shall not merge herein.

4. Following the occurrence of a Default (as hereinafter defined) or, in the event that Mortgagor fails to pay the Taxes on or prior to the date on which same become delinquent, except to the extent that such non-payment is permitted under the Loan Agreement, Mortgagor shall, at Mortgagee's option, deposit with and pay to Mortgagee, on each payment date specified in the Notes, a sum equivalent to one-twelfth (1/12) of the estimate annual Taxes required by the Loan Agreement to be furnished by Mortgagor. Mortgagee shall use such deposits to pay the Taxes when the same become due and payable. Mortgagee shall hold such deposits in a non-interest bearing account. Mortgagor shall procure and deliver to Mortgagee, in advance, statements for the Taxes. If the total payments made by Mortgagee for the Taxes exceed the amounts necessary to pay the Taxes when the same shall be due and payable, such excess shall be credited by Mortgagee on subsequent deposits to be made by Mortgagor. If, however, the deposits are insufficient to pay the Taxes when the same shall be due and payable, Mortgagor will pay to Mortgagee the amount necessary to make up the deficiency, on or before the date when payment of the Taxes shall be due. At any time Mortgagor shall tender to Mortgagee, in accordance with the provisions of the Notes, full payment of the entire indebtedness represented thereby, Mortgagee shall, in computing the amount of such indebtedness, credit against such payment any balance remaining in the funds accumulated and held by Mortgagee under the provisions of this paragraph, and pay directly to Mortgagor any remaining balance in excess of such indebtedness. If there is a Default under any of the provisions of this Mortgage resulting in a public sale of the premises, or if Mortgagee otherwise acquires the premises after Default, Mortgagee shall apply, at the time of commencement of such proceedings, or at the time the premises is otherwise acquired, such portion of the balance then remaining in the funds accumulated under this paragraph, to the principal then remaining unpaid under the Notes. If after the establishment of the account referred to herein Mortgagor shall remedy such Default, and if Mortgagor then continues to deposit with and pay to Mortgagee such sums as are required above for a period of eighteen (18) months, then after such eighteen (18) month period Mortgagee shall credit against the next regularly scheduled payment of the indebtedness secured hereby any balance remaining in the account, and Mortgagor shall thereafter no longer be required to make any such further deposits with Mortgagee unless and until the continuance of a Default.

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5. In the event of any damage to or destruction of the Improvements, the terms and provisions of the Loan Agreement shall control.

6. If by the laws of the United States of America or of any state or governmental subdivision having jurisdiction over Mortgagor or of the Land or of the transaction evidenced by the Notes and this Mortgage, any tax or fee is due on the date hereof in respect of the issuance of the Notes hereby secured or the making, recording and registration of this Mortgage, Mortgagor shall pay such tax or fee in the manner required by such law and hold harmless and indemnify Mortgagee, its successors and assigns, against any liability incurred by reason of the imposition of any such tax or fee.

7. In the event of the enactment after the date hereof of any applicable law imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or Mortgagee's interest in the premises, or the manner of collection of taxes, so as to adversely affect the lien of this Mortgage or the holder hereof, then and in any such event Mortgagor shall, at the option of Mortgagor, either (i) pay such taxes or assessments or reimburse Mortgagee therefor or (ii) prepay all of the indebtedness secured hereby with the Make Whole Premium being due or payable to Mortgagee; provided, however, that, if in the opinion of counsel for Mortgagee (a) it is unlawful to require Mortgagor to make such payment or (b) the making of such payment is construed as imposing a rate of interest beyond the maximum permitted by law, then and in such event Mortgagee may elect to declare all of the indebtedness secured hereby to be and become due and payable sixty (60) days from the giving of written notice of such election to Mortgagor.

8. If one or more of the following events (herein called a "Default") shall have occurred:

(a) a Default under the Loan Agreement; or

(b) default shall be made in the due observance or performance of any covenant, condition or agreement of the Mortgagor contained herein which is not a Default under the Loan Agreement and such default shall have continued for thirty (30) days after notice specifying such default is given by Mortgagee to Mortgagor;

then, in each and every such case, the whole of said principal sum hereby secured shall, at the option of the Mortgagee and without further notice to Mortgagor, become immediately due and payable together with accrued interest thereon and a Make Whole Premium calculated in accordance with the Notes, and whether or not Mortgagee has exercised said option, interest shall accrue on the entire principal balance then outstanding at the Default Rate until fully paid or, if Mortgagee has not exercised said option, for the duration of any Default.

If any Default under "(b)" above shall be of such nature that it cannot be cured or remedied within thirty (30) days, Mortgagor shall be entitled to a reasonable period of time to cure or remedy such Default, provided Mortgagor commences the cure or remedy thereof within the 30-day period following the giving of notice and thereafter proceeds with diligence to complete such cure or remedy.

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9. Mortgagor agrees that if Mortgagee accelerates the whole or any part of the principal sum hereby secured, or applies any proceeds as if such application had been made as a result of such acceleration pursuant to the provisions hereof, Mortgagor agrees to pay, as liquidated damages and not as a penalty, the Make Whole Premium (except as provided in Section 7 hereof).

10. Upon the occurrence of any Default, unless Mortgagee has accepted the proposed cure of such Default expressly in writing, Mortgagee shall have the right to foreclose the lien hereof in accordance with the Illinois Mortgage Foreclosure Act, ch. 110, Sec. 15-1101, et. seq., Illinois Revised Statutes (1987) (the "Act"), and to the extent permitted herein and by applicable law to sell the premises by sale independent of the foreclosure proceedings. In any suit to foreclose the lien hereof, and in any sale of the premises, there shall be allowed and included as additional indebtedness payable by Mortgagor to Mortgagee and secured hereby all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, including attorneys' fees on appeal, appraisers' fees, expenditures for documentary and expert evidence, stenographer's charges, publication and advertising costs, survey costs and costs (which may be estimated as to items to be expended after the entry of any decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies and similar data and assurances with respect to title as Mortgagee deems reasonably necessary either to prosecute such suit or to consummate such sale or to evidence to bidders at any sale the true condition of the title to or the value of the premises.

11. The proceeds of any foreclosure sale, or other sale of the premises in accordance with the terms hereof or as permitted by law, shall be distributed and applied in the following order of priority: First, to the payment of all costs and expenses incident to the foreclosure and/or sale proceedings, including all items as are mentioned in any preceding or succeeding paragraph hereof; second, to the payment of all other items which under the terms hereof constitute secured indebtedness in addition to that evidenced by the Notes, with interest thereon as herein provided; third, to the payment of all principal and accrued interest remaining unpaid on the Notes; fourth, any surplus to the Mortgagor, its successors or assigns, as their rights may appear.

12. During the continuance of any Default, Mortgagor shall forthwith, upon demand of Mortgagee, surrender to Mortgagee possession of the premises, and Mortgagee shall, in accordance with the Act or any other applicable law, be entitled to take actual possession of the premises or any part thereof personally or by its agents or attorneys, and Mortgagee in its discretion may, without force and with process of law, enter upon and take and maintain possession of all or any part of the premises, together with all documents, books, records and papers of the Mortgagor or the then owner of the premises which relate specifically to the operation of the Property (but not the business conducted thereat), and may exclude Mortgagor, its agents or assigns wholly therefrom, and may in its own name as Mortgagee and under the powers herein granted:

(a) hold, operate, manage or control the premises, subject to the rights of any occupants of the premises, their agents and employees, and the Permitted Exceptions, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion it deems proper or necessary to enforce the payment or security of the rents under the Leases, including actions

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for the recovery of such rents, actions in forcible detainer and actions in distress for such rents, Mortgagor hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Mortgagor;

(b) cancel or terminate any lease or sublease for any cause or on any ground which would, by its terms, entitle Mortgagor to cancel the same;

(c) elect to cancel any lease or sublease made subsequent to this Mortgage (unless this Mortgage has specifically been made subordinate to such lease or sublease) or subordinated to the lien hereof;

(d) extend or modify any then existing leases and make new leases, which extensions, modifications or new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Note and the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the premises are subject to the lien hereof and shall be binding also upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the indebtedness secured hereby, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; and

(e) make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the premises as it may deem judicious, insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof, and receive all rents under the Leases.

Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any Lease, and Mortgagor shall and does hereby agree to indemnify and to hold Mortgagee harmless of and from all liability, loss or damage which it might incur under said Leases or under or by reason of the assignment thereof prior to foreclosure, and of and from any and all claims or demands whatsoever which may be asserted against it prior to foreclosure by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said Leases, except any liability, loss, damage, claim or demand which is the result of the gross negligence, acts or omissions or willful misconduct of Mortgagee or its agents. Should Mortgagee incur any such liability, loss or damage under any of said Leases prior to foreclosure, or under or by reason of the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs expenses and attorneys' fees, including attorneys' fees on appeal, shall be secured hereby and Mortgagor shall reimburse Mortgagee therefor immediately upon demand, together with interest at the Default Rate from the date of payment by Mortgagee to the date of reimbursement.

13. Mortgagee in the exercise of the rights and powers conferred upon it under Section 12 hereof shall have the full power to use and apply the rents under the Leases, subject to the provisions of the Permitted Exceptions relating to the Property,

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to the payment of or on account of the following, in such order as Mortgagee may determine:

(a) to the payment of the expenses of operating the premises, including cost of management and leasing thereof (which shall include compensation to Mortgagee or to its agent or agents if management is delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages by third parties, if any, and premiums on insurance as hereinabove authorized;

(b) to the payment of taxes and special assessments now due or which may hereafter become due on the Property;

(c) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements of the Property and of placing the Property in such condition as will in the judgment of Mortgagee make it readily rentable;

(d) to the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale; and

(e) the balance, if any, to Mortgagor.

14. During the continuance of any Default under this Mortgage, Mortgagee may apply to any court having jurisdiction of the premises for the appointment of a receiver of the premises in accordance with the Act. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the premises or the adequacy of Mortgagee's security. Mortgagee or any holder of the Note may be appointed as such receiver. The receiver shall have power to collect the rents under the Leases during the pendency of any foreclosure proceedings and in the case of a sale, during the full redemption period, if any, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents under the Leases. In addition, the receiver shall have all other powers which shall be necessary or are usual in such cases for the protection, possession, control, management and operation of the premises during the whole of said period. The court from time to time may authorize the receiver to apply the rents in his hands in payment in full or in part of:

(a) the indebtedness secured hereby or provided by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree; provided such application is made prior to foreclosure sale; and

(b) the deficiency in case of a sale and deficiency.

15. Mortgagor agrees that all reasonable costs, charges and expenses, including attorneys' fees, incurred or expended by Mortgagee arising out of or in connection with any action, proceeding or hearing, legal, equitable or quasi-legal, including the preparation therefor and any appeal therefrom, in any way affecting or pertaining to

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this Mortgage shall be promptly paid by Mortgagor after reasonable prior written notice of same by Mortgagee. All such sums not promptly paid by Mortgagor shall be added to the indebtedness secured hereby and shall bear interest at the Default Rate from the date of such advance and shall be due and payable on demand. In no event shall the indebtedness secured hereby, including loan proceeds disbursed plus any additional charges, exceed 500% of the original principal amount of the Notes.

Mortgagor hereby agrees that upon the occurrence of a Default, unless Mortgagee has accepted the proposed cure of such Default expressly in writing, and the acceleration of the principal sum secured hereby pursuant to this Mortgage, to the full extent that such rights can be lawfully waived, Mortgagor hereby waives and agrees not to insist upon, plead or in any manner take advantage of, any stay, extension, homestead marshaling or moratorium law or any law providing for the valuation or appraisal of all or any part of the premises prior to any sale or sales thereof under any provision of this Mortgage or before or after any decree, judgment or order of any court or confirmation thereof, or claim or exercise any right to redeem all or any part of the premises so sold and hereby expressly waives to the full extent permitted by applicable law on behalf of itself and each and every person or entity acquiring any right, title or interest in or to the all or any part of the premises, all benefit and advantage of any such laws which would otherwise be available to Mortgagor or any such person or entity, and agrees that neither Mortgagor nor any such person or entity will invoke or utilize any such law to otherwise hinder, delay or impede the exercise of any remedy granted or delegated to Mortgagee herein but will permit the exercise of such remedy as though any such laws had not been enacted. Mortgagor hereby further expressly waives to the full extent permitted by applicable law on behalf of itself and each and every person or entity acquiring any right, title or interest in or to all or any part of the premises any and all rights of redemption from any sale or any order or decree of foreclosure obtained pursuant to provisions of this Mortgage.

16. Mortgagor and Mortgagee agree that this Mortgage shall constitute a Security Agreement within the meaning of the Code with respect to (i) all sums at any time on deposit for the benefit of Mortgagee or held by the Mortgagee (whether deposited by or on behalf of the Mortgagor or anyone else) pursuant to any of the provisions of the Mortgage or the other Loan Documents and (ii) with respect to any Building Equipment included in the granting clauses of this Mortgage, which Building Equipment may not be deemed to be affixed to the Property or may not constitute a "fixture" (within the meaning of Section 9-313 of the Code), and all replacements of, substitutions for, additions to, and the proceeds thereof (all of said Building Equipment and the replacements, substitutions and additions thereto and the proceeds thereof being sometimes hereinafter collectively referred to as the "Collateral"), and that a security interest in and to the Collateral is hereby granted to the Mortgagee, and the Collateral and all of Mortgagor's right, title and interest therein are hereby assigned to the Mortgagee, all to secure payment of the indebtedness secured hereby and by the Loan Documents. All of the provisions contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the premises; and the following provisions of this Paragraph shall not limit the applicability of any other provision of this Mortgage but shall be in addition thereto:

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

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encumbrances benefiting Mortgagee and no other party, and liens and encumbrances, if any, expressly permitted by the other Loan Documents.

(b) The Collateral is to be used by Mortgagor solely for business purposes (as that term is used in the Code).

(c) The Collateral will be kept at the Property, and, except for Obsolete Collateral, will not be removed therefrom without the consent of Mortgagee (being the Secured Party as that term is used in the Code). The Collateral may be affixed to the Property but will not be affixed to any other real estate.

(d) The only persons having any interest in the premises are Mortgagor, Mortgagee and holders of interests, if any, expressly permitted hereby or under the other Loan Documents.

(e) No Financing Statement (other than Financing Statements showing Mortgagee as the sole secured party, or with respect to liens or encumbrances, if any, expressly permitted hereby) covering any of the Collateral or any proceeds thereof is on file in any public office except pursuant hereto; and Mortgagor will at its own cost and expense, upon demand, furnish to Mortgagee such further information and will execute and deliver to Mortgagee such financing statements and other documents in form satisfactory to Mortgagee and will do all such acts as Mortgagee may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Indebtedness, subject to no other liens or encumbrances, other than (i) liens or encumbrances benefiting Mortgagee and no other party and (ii) liens and encumbrances (if any) expressly permitted hereby or under the other Loan Documents, and Mortgagor will pay the cost of filing or recording such financing statements or other documents, and this instrument, in all public offices wherever filing or recording is reasonably deemed by Mortgagee to be necessary to maintain its security interest in the Collateral.

(f) Upon Default hereunder, unless Mortgagee has accepted the proposed cure of such Default expressly in writing, Mortgagee shall have the remedies of a secured party under the Code, including without limitation, the right to take immediate and exclusive possession of the Collateral or any part thereof, and for that purpose may, so far as Mortgagor can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any place which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code); and Mortgagee shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Mortgagor's right of redemption in satisfaction of Mortgagor's obligations, as provided in the Code. Mortgagee may render the Collateral unusable without removal and may dispose of the Collateral on the Property. Mortgagee may require Mortgagor to assemble the Collateral (if reasonably practicable) and make it available to Mortgagee for its possession at a place to be designated by Mortgagee which is reasonably convenient to both parties. Mortgagee will give Mortgagor at least twenty (20) days notice of the time and place of any public sale of the Collateral or of the time after which any private sale or any other

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intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by certified United States mail or equivalent, postage prepaid, to the address of Mortgagor hereinafter set forth at least twenty (20) days before the time of the sale or disposition. Mortgagee may buy at any public sale. Mortgagee may buy at private sale if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations. Any such sale may be held in conjunction with any foreclosure sale of the premises. If Mortgagee so elects, the premises and the Collateral may be sold as one lot. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling and the attorney's fees and legal expenses incurred by Mortgagee, shall be applied against the Indebtedness in such order or manner as Mortgagee shall select. Mortgagee will account to Mortgagor for any surplus realized on such disposition.

(g) The terms and provisions contained in this Paragraph 16 shall, unless the context otherwise requires, have the meanings and be construed as provided in the Code.

(h) This Mortgage is intended to be a financing statement within the purview of Section 9-402(6) of the Code with respect to the Collateral, which Collateral may become fixtures relating to the Property. The addresses of Mortgagor (Debtor) and Mortgagee (Secured Party) are set forth herein. This Mortgage is to be filed for record with the Recorder of Deeds of the County or Counties where the Property is located.

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

17. To further secure all of the indebtedness secured by this Mortgage, Mortgagor has executed and delivered that certain Assignment of Leases and Rents of even date herewith assigning to Mortgagee the interest of Mortgagor as lessor under the existing Leases of the Property, as well as all other leases which may hereafter be made in respect of the Property, and the rents arising thereunder and from the use of the Property. Said Assignment of Leases and Rents grants to Mortgagee specific rights and remedies in respect of said leases and the collection of rents thereunder and from the use of the Property, and such rights and remedies so granted shall be cumulative of those granted herein.

18. Subject to the provisions of the Loan Agreement, all rights and remedies granted to Mortgagee herein or in the Notes or any other instrument securing the Notes shall be in addition to and not in limitation of any rights and remedies to which it is entitled in equity, at law or by statute and the invalidity of any right or remedy herein provided by reason of its conflict with applicable law or statute shall not affect any other valid right or remedy afforded to Mortgagee. No waiver of any Default or of any default in the performance of any covenant contained in the Notes or any other instrument securing the Notes shall at any time thereafter be held to be a waiver of any

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rights of Mortgagee hereunder, nor shall any waiver of a prior Default or default operate to waive any subsequent Default or default. All remedies provided for herein, in the Note and in any other instrument securing the Note are cumulative and may, at the election of Mortgagee, be exercised alternatively, successively, or concurrently. No act of Mortgagee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision or to proceed against one portion of the premises to the exclusion of any other portion.

19. By accepting payment of any sum secured hereby after its due date, Mortgagee does not waive its right either to require prompt payment when due of all other sums or installments so secured or to declare a default for failure to pay the same.

20. Notwithstanding anything herein or in the Notes to the contrary, no provision contained herein or in the Notes which purports to obligate Mortgagor to pay any amount of interest or any fees, costs or expenses which are in excess of the maximum permitted by applicable law, shall be effective to the extent that it calls for the payment of any interest or other sums in excess of such maximum. Any such excess shall, at the option of Mortgagee, either be paid to Mortgagor or be credited to principal on the Notes.

21. In the event one or more provisions of this Mortgage or of the Notes shall be held to be invalid, illegal or unenforceable in any respect; such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Mortgage shall be construed as if any such provision had never been contained herein.

22. If the payment of the indebtedness secured hereby or of any part thereof shall be extended or varied, or if any part of the security be released, all persons now or at any time hereafter liable therefor shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by Mortgagee notwithstanding such variation or release.

23. Upon payment in full of the indebtedness secured hereby and the performance by Mortgagor of all of the obligations imposed on Mortgagor herein and in the Notes, these presents shall be null and void, and Mortgagee shall promptly release this Mortgage and the lien hereof by proper instrument executed in recordable form, in accordance with the terms of the Loan Agreement.

24. Mortgagor shall have the privilege of making prepayments on the principal of the Notes (in addition to the required payments) to the extent and upon the terms and conditions, if any, expressly set forth in the Note, the Loan Agreement and herein.

25. Within fifteen business (15) days after any written request by Mortgagee or Mortgagor, the other party hereto shall certify, by a written statement duly acknowledged, the amount of principal and interest owing on the Notes on the next regularly scheduled payment date and whether any offsets or defenses exist against the indebtedness secured hereby.

26. Any notice which any party hereto may desire or be required to give to the other shall be deemed to be adequate and sufficient if given in writing and service

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for the recovery of such rents, actions in forcible detainer and actions in distress for such rents, Mortgagor hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Mortgagor;

(b) cancel or terminate any lease or sublease for any cause or on any ground which would, by its terms, entitle Mortgagor to cancel the same;

(c) elect to cancel any lease or sublease made subsequent to this Mortgage (unless this Mortgage has specifically been made subordinate to such lease or sublease) or subordinated to the lien hereof;

(d) extend or modify any then existing leases and make new leases, which extensions, modifications or new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Note and the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the premises are subject to the lien hereof and shall be binding also upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the indebtedness secured hereby, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; and

(e) make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the premises as it may deem judicious, insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof, and receive all rents under the Leases.

Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any Lease, and Mortgagor shall and does hereby agree to indemnify and to hold Mortgagee harmless of and from all liability, loss or damage which it might incur under said Leases or under or by reason of the assignment thereof prior to foreclosure, and of and from any and all claims or demands whatsoever which may be asserted against it prior to foreclosure by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said Leases, except any liability, loss, damage, claim or demand which is the result of the gross negligence, acts or omissions or willful misconduct of Mortgagee or its agents. Should Mortgagee incur any such liability, loss or damage under any of said Leases prior to foreclosure, or under or by reason of the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs expenses and attorneys' fees, including attorneys' fees on appeal, shall be secured hereby and Mortgagor shall reimburse Mortgagee therefor immediately upon demand, together with interest at the Default Rate from the date of payment by Mortgagee to the date of reimbursement.

13. Mortgagee in the exercise of the rights and powers conferred upon it under Section 12 hereof shall have the full power to use and apply the rents under the Leases, subject to the provisions of the Permitted Exceptions relating to the Property,

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to the payment of or on account of the following, in such order as Mortgagee may determine:

(a) to the payment of the expenses of operating the premises, including cost of management and leasing thereof (which shall include compensation to Mortgagee or to its agent or agents if management is delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages by third parties, if any, and premiums on insurance as hereinabove authorized;

(b) to the payment of taxes and special assessments now due or which may hereafter become due on the Property;

(c) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements of the Property and of placing the Property in such condition as will in the judgment of Mortgagee make it readily rentable;

(d) to the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale; and

(e) the balance, if any, to Mortgagor.

14. During the continuance of any Default under this Mortgage, Mortgagee may apply to any court having jurisdiction of the premises for the appointment of a receiver of the premises in accordance with the Act. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the premises or the adequacy of Mortgagee's security. Mortgagee or any holder of the Note may be appointed as such receiver. The receiver shall have power to collect the rents under the Leases during the pendency of any foreclosure proceedings and in the case of a sale, during the full redemption period, if any, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents under the Leases. In addition, the receiver shall have all other powers which shall be necessary or are usual in such cases for the protection, possession, control, management and operation of the premises during the whole of said period. The court from time to time may authorize the receiver to apply the rents in his hands in payment in full or in part of:

(a) the indebtedness secured hereby or provided by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree; provided such application is made prior to foreclosure sale; and

(b) the deficiency in case of a sale and deficiency.

15. Mortgagor agrees that all reasonable costs, charges and expenses, including attorneys' fees, incurred or expended by Mortgagee arising out of or in connection with any action, proceeding or hearing, legal, equitable or quasi-legal, including the preparation therefor and any appeal therefrom, in any way affecting or pertaining to

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this Mortgage shall be promptly paid by Mortgagor after reasonable prior written notice of same by Mortgagee. All such sums not promptly paid by Mortgagor shall be added to the indebtedness secured hereby and shall bear interest at the Default Rate from the date of such advance and shall be due and payable on demand. In no event shall the indebtedness secured hereby, including loan proceeds disbursed plus any additional charges, exceed 500% of the original principal amount of the Notes.

Mortgagor hereby agrees that upon the occurrence of a Default, unless Mortgagee has accepted the proposed cure of such Default expressly in writing, and the acceleration of the principal sum secured hereby pursuant to this Mortgage, to the full extent that such rights can be lawfully waived, Mortgagor hereby waives and agrees not to insist upon, plead or in any manner take advantage of, any stay, extension, home-stead, marshaling or moratorium law or any law providing for the valuation or appraisal of all or any part of the premises prior to any sale or sales thereof under any provision of this Mortgage or before or after any decree, judgment or order of any court or confirmation thereof, or claim or exercise any right to redeem all or any part of the premises so sold and hereby expressly waives to the full extent permitted by applicable law on behalf of itself and each and every person or entity acquiring any right, title or interest in or to the all or any part of the premises, all benefit and advantage of any such laws which would otherwise be available to Mortgagor or any such person or entity, and agrees that neither Mortgagor nor any such person or entity will invoke or utilize any such law to otherwise hinder, delay or impede the exercise of any remedy granted or delegated to Mortgagee herein but will permit the exercise of such remedy as though any such laws had not been enacted. Mortgagor hereby further expressly waives to the full extent permitted by applicable law on behalf of itself and each and every person or entity acquiring any right, title or interest in or to all or any part of the premises any and all rights of redemption from any sale or any order or decree of foreclosure obtained pursuant to provisions of this Mortgage.

16. Mortgagor and Mortgagee agree that this Mortgage shall constitute a Security Agreement within the meaning of the Code with respect to (i) all sums at any time on deposit for the benefit of Mortgagee or held by the Mortgagee (whether deposited by or on behalf of the Mortgagor or anyone else) pursuant to any of the provisions of the Mortgage or the other Loan Documents and (ii) with respect to any Building Equipment included in the granting clauses of this Mortgage, which Building Equipment may not be deemed to be affixed to the Property or may not constitute a "fixture" (within the meaning of Section 9-313 of the Code), and all replacements of, substitutions for, additions to, and the proceeds thereof (all of said Building Equipment and the replacements, substitutions and additions thereto and the proceeds thereof being sometimes hereinafter collectively referred to as the "Collateral"), and that a security interest in and to the Collateral is hereby granted to the Mortgagee, and the Collateral and all of Mortgagor's right, title and interest therein are hereby assigned to the Mortgagee, all to secure payment of the indebtedness secured hereby and by the Loan Documents. All of the provisions contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the premises; and the following provisions of this Paragraph shall not limit the applicability of any other provision of this Mortgage but shall be in addition thereto:

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

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encumbrances benefiting Mortgagee and no other party, and liens and encumbrances, if any, expressly permitted by the other Loan Documents.

(b) The Collateral is to be used by Mortgagor solely for business purposes (as that term is used in the Code).

(c) The Collateral will be kept at the Property, and, except for Obsolete Collateral, will not be removed therefrom without the consent of Mortgagee (being the Secured Party as that term is used in the Code). The Collateral may be affixed to the Property but will not be affixed to any other real estate.

(d) The only persons having any interest in the premises are Mortgagor, Mortgagee and holders of interests, if any, expressly permitted hereby or under the other Loan Documents.

(e) No Financing Statement (other than Financing Statements showing Mortgagee as the sole secured party, or with respect to liens or encumbrances, if any, expressly permitted hereby) covering any of the Collateral or any proceeds thereof is on file in any public office except pursuant hereto; and Mortgagor will at its own cost and expense, upon demand, furnish to Mortgagee such further information and will execute and deliver to Mortgagee such financing statements and other documents in form satisfactory to Mortgagee and will do all such acts as Mortgagee may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the indebtedness, subject to no other liens or encumbrances, other than (i) liens or encumbrances benefiting Mortgagee and no other party and (ii) liens and encumbrances (if any) expressly permitted hereby or under the other Loan Documents; and Mortgagor will pay the cost of filing or recording such financing statements or other documents, and this Instrument, in all public offices wherever filing or recording is reasonably deemed by Mortgagee to be necessary to maintain its security interest in the Collateral.

(f) Upon Default hereunder, unless Mortgagee has accepted the proposed cure of such Default expressly in writing, Mortgagee shall have the remedies of a secured party under the Code, including without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as Mortgagor can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any place which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code); and Mortgagee shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Mortgagor's right of redemption in satisfaction of Mortgagor's obligations, as provided in the Code. Mortgagee may render the Collateral unusable without removal and may dispose of the Collateral on the Property. Mortgagee may require Mortgagor to assemble the Collateral (if reasonably practicable) and make it available to Mortgagee for its possession at a place to be designated by Mortgagee which is reasonably convenient to both parties. Mortgagee will give Mortgagor at least twenty (20) days notice of the time and place of any public sale of the Collateral or of the time after which any private sale or any other

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intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by certified United States mail or equivalent, postage prepaid, to the address of Mortgagor hereinafter set forth at least twenty (20) days before the time of the sale or disposition. Mortgagee may buy at any public sale. Mortgagee may buy at private sale if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations. Any such sale may be held in conjunction with any foreclosure sale of the premises. If Mortgagee so elects, the premises and the Collateral may be sold as one lot. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling and the attorney's fees and legal expenses incurred by Mortgagee, shall be applied against the Indebtedness in such order or manner as Mortgagee shall select. Mortgagee will account to Mortgagor for any surplus realized on such disposition.

(g) The terms and provisions contained in this Paragraph 16 shall, unless the context otherwise requires, have the meanings and be construed as provided in the Code.

(h) This Mortgage is intended to be a financing statement within the purview of Section 9-402(6) of the Code with respect to the Collateral, which Collateral may become fixtures relating to the Property. The addresses of Mortgagor (Debtor) and Mortgagee (Secured Party) are set forth herein. This Mortgage is to be filed for record with the Recorder of Deeds of the County or Counties where the Property is located.

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

17. To further secure all of the indebtedness secured by this Mortgage, Mortgagor has executed and delivered that certain Assignment of Leases and Rents of even date herewith assigning to Mortgagee the interest of Mortgagor as lessor under the existing Leases of the Property, as well as all other leases which may hereafter be made in respect of the Property, and the rents arising thereunder and from the use of the Property. Said Assignment of Leases and Rents grants to Mortgagee specific rights and remedies in respect of said leases and the collection of rents thereunder and from the use of the Property, and such rights and remedies so granted shall be cumulative of those granted herein.

18. Subject to the provisions of the Loan Agreement, all rights and remedies granted to Mortgagee herein or in the Notes or any other instrument securing the Notes shall be in addition to and not in limitation of any rights and remedies to which it is entitled in equity, at law or by statute and the invalidity of any right or remedy herein provided by reason of its conflict with applicable law or statute shall not affect any other valid right or remedy afforded to Mortgagee. No waiver of any Default or of any default in the performance of any covenant contained in the Notes or any other instrument securing the Notes shall at any time thereafter be held to be a waiver of any

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rights of Mortgagee hereunder, nor shall any waiver of a prior Default or default operate to waive any subsequent Default or default. All remedies provided for herein, in the Note and in any other instrument securing the Note are cumulative and may, at the election of Mortgagee, be exercised alternatively, successively, or concurrently. No act of Mortgagee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision or to proceed against one portion of the premises to the exclusion of any other portion.

19. By accepting payment of any sum secured hereby after its due date, Mortgagee does not waive its right either to require prompt payment when due of all other sums or installments so secured or to declare a default for failure to pay the same.

20. Notwithstanding anything herein or in the Notes to the contrary, no provision contained herein or in the Notes which purports to obligate Mortgagor to pay any amount of interest or any fees, costs or expenses which are in excess of the maximum permitted by applicable law, shall be effective to the extent that it calls for the payment of any interest or other sums in excess of such maximum. Any such excess shall, at the option of Mortgagee, either be paid to Mortgagor or be credited to principal on the Notes.

21. In the event one or more provisions of this Mortgage or of the Notes shall be held to be invalid, illegal or unenforceable in any respect; such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Mortgage shall be construed as if any such provision had never been contained herein.

22. If the payment of the indebtedness secured hereby or of any part thereof shall be extended or varied, or if any part of the security be released, all persons now or at any time hereafter liable therefor shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by Mortgagee notwithstanding such variation or release.

23. Upon payment in full of the indebtedness secured hereby and the performance by Mortgagor of all of the obligations imposed on Mortgagor herein and in the Notes, these presents shall be null and void, and Mortgagee shall promptly release this Mortgage and the lien hereof by proper instrument executed in recordable form, in accordance with the terms of the Loan Agreement.

24. Mortgagor shall have the privilege of making prepayments on the principal of the Notes (in addition to the required payments) to the extent and upon the terms and conditions, if any, expressly set forth in the Note, the Loan Agreement and herein.

25. Within fifteen business (15) days after any written request by Mortgagee or Mortgagor, the other party hereto shall certify, by a written statement duly acknowledged, the amount of principal and interest owing on the Notes on the next regularly scheduled payment date and whether any offsets or defenses exist against the indebtedness secured hereby.

26. Any notice which any party hereto may desire or be required to give to the other shall be deemed to be adequate and sufficient if given in writing and service

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made by the mailing of such notice in accordance with the terms of the Loan Agreement.

27. This Mortgage and all the provisions hereof shall extend to and be binding upon Mortgagor, its successors and assigns. The word "Mortgagee" as used herein shall include the successors and assigns of the Mortgagee named herein, and the holder or holders from time to time of the Notes secured hereby.

28. Any property management agreement for the Property entered into hereafter by Mortgagor with a property manager, shall contain a "no lien" provision whereby the property manager waives and releases any and all mechanics' lien rights that the property manager or anyone claiming by, through or under the property manager may have pursuant to Ill. Rev. Stat. ch. 82, par. 1, or any similar statute. Such property management agreement or a short form thereof shall, at Mortgagee's request, be recorded with the Recorder of Deeds of the county where the Property is located. In addition, Mortgagor shall cause the property manager to enter into a Subordination of Management Agreement with Mortgagee, in recordable form and in form and content satisfactory to Mortgagor, whereby the property manager subordinates present and future lien rights and those of any party claiming by, through or under the property manager, to the lien of this Mortgage.

29. This Mortgage shall be governed by and construed in accordance with the laws of the State of Illinois.

30. As used herein, the term "Default Rate" shall have the same meaning as set forth in the Loan Agreement.

31. Anything in the Notes, this Mortgage or any other instrument or agreement by which the Notes are secured to the contrary notwithstanding, the lien of this Mortgage shall be released from the premises in accordance with the terms and provisions of the Loan Agreement.

32. No proceeds of the indebtedness secured hereby will be used for the purchase of any security within the meaning of the Securities Exchange Act of 1934, as amended, or any regulation issued pursuant thereto, including without limitation, Regulations G, T and X of the Board of Governors of the Federal Reserve System. This is not a purchase money mortgage and the premises secured hereby is not a residence or homestead or used for mining, grazing, agriculture, timber or farming purposes.

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9 0 3 1 9 5 Mt, Prospect

IN WITNESS WHEREOF, Mortgagor has caused this mortgage to be duly executed and delivered as of the date first above written.

**MORTGAGOR:**

**VENTURE STORES, INC., a  
Delaware corporation**

By: *John F. Burtelow*  
Name: John F. Burtelow  
Its: Senior Vice President

**ATTEST:**

By: *Carol Fielding Fasano*  
Name: Carol Fielding Fasano  
Its: Assistant Secretary

**MORTGAGEE:**

**PRINCIPAL MUTUAL LIFE INSURANCE  
COMPANY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

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**UNOFFICIAL COPY** Prospect

IN WITNESS WHEREOF, Mortgagor has caused this mortgage to be duly executed and delivered as of the date first above written.

**MORTGAGOR:**

**VENTURE STORES, INC., a  
Delaware corporation**

By: \_\_\_\_\_  
Name: John F. Burtelow  
Its: Senior Vice President

**ATTEST:**

By: \_\_\_\_\_  
Name: Carol Fielding Pasano  
Its: Assistant Secretary

**MORTGAGEE:**

**PRINCIPAL MUTUAL LIFE INSURANCE  
COMPANY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: DAVID P. ELLINGSON, Counsel

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: KENNETH PEARSTON, Assistant Counsel

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ILLINOIS PROBATE COURT

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STATE OF MISSOURI )  
COUNTY OF ST LOUIS ) SS

I, KRISTINA R. JONES, a Notary Public in and for the county and state aforesaid, do hereby certify that John F. Burtelow and Carol Fielding Fasano, as Senior Vice President and Assistant Secretary of Venture Stores, Inc. and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act and as the free and voluntary act of Venture Stores, Inc. for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 3rd day of July, 1990.

Kristina R. Jones  
Notary Public

My Commission Expires: \_\_\_\_\_  
K R I S T I N A R . J O N E S  
NOTARY PUBLIC - STATE OF MISSOURI  
MY COMMISSION EXPIRES APRIL 20, 1993  
ST. LOUIS COUNTY

STATE OF )  
COUNTY OF ) SS

I, \_\_\_\_\_, a Notary Public in and for the county and state aforesaid, do hereby certify that \_\_\_\_\_ and \_\_\_\_\_, as \_\_\_\_\_ of Principal Mutual Life Insurance Company and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act and as the free and voluntary act of Principal Mutual Life Insurance Company for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 1990.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

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2000 11 15 10:00 AM  
MILWAUKEE DISTRICT COURT  
STATE OF ILLINOIS DEPARTMENT OF  
VETERANS AFFAIRS

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STATE OF )  
                  )  
COUNTY OF )       SS

I, \_\_\_\_\_, a Notary Public in and for the county and state aforesaid, do hereby certify that John F. Burtelow and Carol Fielding Fasano, as Senior Vice President and Assistant Secretary of Venture Stores, Inc. and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act and as the free and voluntary act of Venture Stores, Inc. for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this \_\_\_\_\_ day of July, 1990.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

STATE OF Iowa )  
                  )  
COUNTY OF Polk )       SS

I, Pamela Anderson, a Notary Public in and for the county and state aforesaid, do hereby certify that David P. Ellingson and Karen A. Rowson as Counsel and Assistant Counsel of Principal Mutual Life Insurance Company and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act and as the free and voluntary act of Principal Mutual Life Insurance Company for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 29<sup>th</sup> day of June, 1990.

Pamela Anderson  
Notary Public

My Commission Expires:

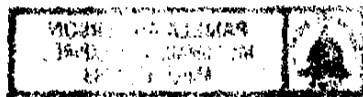


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## EXHIBIT A LEGAL DESCRIPTION

Mt. Prospect  
1500 West Elmhurst Road  
Mt. Prospect, IL

### PARCEL 1:

LCT 2 IN KENROY'S ELMHURST-DEMPSTER SUBDIVISION BEING A SUBDIVISION OF PART OF THE EAST 1/2 OF SECTION 14, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SAID SUBDIVISION RECORDED MAY 16, 1973 AS DOCUMENT NUMBER 22327173 IN COCK COUNTY, ILLINOIS.

ALSO

### PARCEL 2:

NON-EXCLUSIVE PERPETUAL EASEMENT FOR STORM WATER SEWER LINE FOR THE BENEFIT OF PARCEL 1 AS CREATED BY GRANT FROM LASALLE NATIONAL BANK, AS TRUSTEE UNDER TRUST NUMBER 33425, DATED APRIL 19, 1973 AND RECORDED MAY 22, 1973 AS DOCUMENT NUMBER 22334719, AND AS AMENDED BY DOCUMENT RECORDED SEPTEMBER 26, 1973 AS DOCUMENT NUMBER 22492620.

### PARCEL 3:

PERPETUAL EASEMENT FOR STORM WATER SEWER LINE FOR THE BENEFIT OF PARCEL 1 AS CREATED BY GRANT FROM TRUSTEES OF SCHOOLS OF TOWNSHIP 41 NORTH, RANGE 11 EAST TO LA SALLE NATIONAL BANK, TRUST NUMBER 33425 AND KEARCY, INCORPORATED, DATED AUGUST 29, 1973 AND RECORDED SEPTEMBER 26, 1973 AS DOCUMENT NUMBER 22492619.

### PARCEL 4:

NON-EXCLUSIVE PERPETUAL EASEMENT FOR STORM WATER SEWER LINE FOR THE BENEFIT OF PARCEL 1 AS CREATED BY GRANT FROM THE COMMONWEALTH EDUCATION COMPANY, A CORPORATION OF ILLINOIS, TO LA SALLE NATIONAL BANK NUMBER 33425 AND KEARCY, INCORPORATED, DATED AUGUST 29, 1973 AND RECORDED SEPTEMBER 26, 1973 AS DOCUMENT NUMBER 22492621.

### PARCEL 5:

EXCLUSIVE PERPETUAL EASEMENT FOR STORM WATER SEWER LINE FOR THE BENEFIT OF PARCEL 1 AS CREATED BY GRANT FROM MOUNT PROSPECT STATE BANK, TRUST NUMBER 270 TO LA SALLE NATIONAL BANK, TRUST NUMBER 33425 AND KEARCY, INCORPORATED DATED AUGUST 29, 1973 AND RECORDED SEPTEMBER 26, 1973 AS DOCUMENT NUMBER 22492617.

### PARCEL 6:

EXCLUSIVE PERPETUAL EASEMENT FOR STORM WATER SEWER LINE FOR THE BENEFIT OF PARCEL 1 AS CREATED BY GRANT FROM HUNTINGTON COMMONS ASSOCIATION, NON-PROFIT CORP OF ILLINOIS TO LA SALLE NATIONAL BANK, TRUST NUMBER 33425 AND KEARCY, INCORPORATED, A CORP OF DELAWARE, DATED AUGUST 29, 1973 AND RECORDED SEPTEMBER 26, 1973 AS DOCUMENT NUMBER 22492618 AND AMENDED BY AMENDMENT RECORDED SEPTEMBER 28, 1973 AS DOCUMENT NUMBER 22495853.

1500 West Elmhurst Road  
Mt. Prospect, IL  
PINs: 08-14-403-022-0000  
08-14-403-023-0000

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EXHIBIT A  
(MORTGAGE)  
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PERMITTED EXCEPTIONS

8. Property

MOUNT PROSPECT

A. Property Address: 1500 South Elmhurst Road  
Mount Prospect, Illinois  
B. Title Company: Chicago Title Insurance Company  
C. Title Policy Number: 7214002  
D. Title Policy Date: July 3, 1990

E. Permitted Title Exceptions: All items shown on Schedule B of the Title Commitment referenced in Paragraph C above, together with the items listed in Paragraph F below as "Additional Title Exceptions"

F. Additional Title Exceptions:

- 1) Amendment and Restatement of Lease Agreement dated August 1, 1989, by and between The May Department Stores Company ("May") and Volume Shoe Corporation ("Volume").
- 2) Assignment and Assumption of Leases dated as of August 8, 1989 by and between May and Venture Stores, Inc.
- 3) Lease Agreement dated March 31, 1988, by and between May and Enterprise Leasing Company of Chicago ("Enterprise").
- 4) Letter Agreement, dated June 28, 1988 between May and Enterprise.
- 5) Letter Agreement, dated January 28, 1988 (executed by Enterprise as of March 31, 1988) between May and Enterprise.
- 6) Lease Agreement, dated November 16, 1988, by and between May and Mount Prospect Park District.
- 7) Letter dated December 15, 1988 between May and Mount Prospect Park District.
- 8) Ground Lease, dated January 28, 1989, by and among May and May Properties 1975, Inc. (collectively, Landlord), and KFC National Management Company (Tenant).
- 9) First Amendment to Lease, dated April 25, 1989, by and among May and May Properties 1975, Inc., and KFC National Management Company.

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- 10) Second Amendment to Lease, dated January 22, 1990, by and between May and KFC National Management Company.
- 11) Third Amendment to Lease, dated June 19, 1990 by and between Venture Stores, Inc. and KFC National Management Company.

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