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Mail to:
KOREA EXCHANGE BANK
181 W. Madison, Suite 2100
Chicago, IL 60602

Attn: Mr. Kyu Whan Park



08/07/96

0008 MCH 10:00
RECORDIN * 61.00

MAILINGS * 1.00

08/07/96

96612365 H
0008 MCH 10:00

MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT ("Mortgage"), made as of May 15, 1996, by KEN B. BAI and OAK N. BAI, his wife, ("Borrower") in favor of KOREA EXCHANGE BANK ("Mortgagee"), whose address is 181 West Madison Street, Suite 2100, Chicago, Illinois 60602;

WITNESSETH:

WHEREAS, Borrower is justly indebted to Mortgagee in the principal sum of ONE HUNDRED THOUSAND Dollars (\$100,000.00) as evidenced by a note dated even date herewith executed by Borrower, and made payable to the order of and delivered to Mortgagee in the aforesaid principal amount (the "Note"), whereby Borrower promises to pay said principal sum, together with interest thereon, from the date and at the rate set forth therein, in installments as set forth therein at the office of Mortgagee, or at such other place as may be designated in writing by the legal holder thereof until October 31, 2000, (the "Maturity Date") at which time the principal sum secured hereby and all accrued interest thereon shall immediately become due and payable;

NOW, THEREFORE, in order to secure the payment of the indebtedness evidenced by the Note and the payment of all amounts due under, and the performance and observance of all covenants and conditions contained in, this Mortgage, the Note, any and all other mortgages, security agreements, assignment of leases and rents, guaranties, indemnity agreements, letters of credit and any other documents and instruments now or hereafter executed by Borrower, or any party related thereto or affiliated therewith to evidence, secure or guarantee the payment of all or any portion of the indebtedness under the Note and any and all renewals, extensions, amendments and replacements of this Mortgage, the Note and any such other documents and instruments (the Note, this Mortgage, such other documents and instruments now or hereafter executed and delivered in connection with the loan evidenced by the Note, and any and all amendments, renewals, extensions and replacements hereof and thereof, being sometimes herein referred to collectively as the "Loan Documents" and individually as a "Loan Document", and all indebtedness and liabilities secured hereby being hereinafter sometimes referred to as "Borrower's Liabilities"), Borrower does hereby convey, mortgage, assign, transfer, pledge and deliver to Mortgagee the following described property subject to the terms and conditions herein specified:

96612365

This instrument was prepared by:

Korea Exchange Bank
Suite 2100
181 West Madison Street
Chicago, Illinois 60602

After recording, mail to:

Korea Exchange Bank
Suite 2100
181 West Madison Street
Chicago, Illinois 60602

61.00
1.00 (mail)
62.00

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- (A) The land legally described in attached Exhibit "A" ("Land");
- (B) All the buildings, structures, improvements and fixtures of every kind or nature now or hereafter situated on the Land, and, to the extent not owned by tenants of the Mortgaged Property (as hereinafter defined), all machinery, appliances, equipment, chattel, furniture and all other personal property of every kind or nature located in or on, or attached to, or used or intended to be used in connection with, or with the operation of, the Land, buildings, structures, improvements or fixtures now or hereafter located or to be located on the Land, or in connection with any construction being conducted or which may be conducted thereon, and all extensions, additions, improvements, substitutions and replacements to any of the foregoing ("Improvements");
- (C) To the extent not owned by tenants of the Mortgaged Property, all building materials and goods which are procured or to be procured for use on or in connection with the Improvements or the construction of additional Improvements, whether or not such materials and goods have been delivered to the Land ("Materials");
- (D) To the extent not owned by tenants of the Mortgaged Property, all unexpired claims, warranties, guaranties and sureties in connection with the construction, furnishing and equipping of the Mortgaged Property, all plans, specifications, architectural renderings, drawings, licenses, permits, certificates of occupancy, soil test reports, other reports of examinations or analyses of the Land or Improvements, contracts for services to be rendered to Borrower or otherwise in connection with the Improvements and all other property, contracts, including, without limitation, general contracts, subcontracts and material supply contracts relating to the construction of the Improvements, including tenant improvements, reports, proposals and other materials in any way relating to the Land or the Improvements or the construction of additional Improvements and any and all other intangible property of Borrower used solely in connection with or otherwise related to the acquisition, development or sale and marketing of the Mortgaged Property and all trade styles, trademarks and service marks used in connection therewith;
- (E) All easements, tenements, rights-of-way, vaults, gores of land, streets, ways, alleys, passages, sewer rights, water courses, water rights and powers and appurtenances in any way belonging, relating or appertaining to any of the Land or Improvements, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired ("Appurtenances");
- (F) All judgments, insurance proceeds, awards of damages and settlements which may result from any damage to all or any portion of the Land, Improvements, Appurtenances or Materials, or any part thereof or to any rights appurtenant thereto;
- (G) All compensation, awards, damages, claims, rights of action and proceeds of or on account of (i) any damage or taking, pursuant to the power of eminent domain, of the Land, Improvements, Appurtenances or Materials, or any part thereof, (ii) damage to all or any portion of the Land, Improvements, Appurtenances or Materials by reason of the taking, pursuant to the power of eminent domain, of all or any portion of the Land, Improvements, Appurtenances, Materials or of other property, or (iii) the alteration of the grade of any street or highway on or about the Land, Improvements, Appurtenances, Materials or any part thereof; and, except as otherwise provided herein, Mortgagee is hereby authorized to collect and receive said awards and proceeds and to give proper receipts and acquittances therefor and, except as otherwise provided herein, to apply the same toward the payment of the indebtedness and other sums secured hereby;
- (H) To the extent not owned by tenants of the Mortgaged Property, all contract rights, general intangibles, actions and rights in action, including, without limitation, all rights to insurance proceeds and unearned premiums arising from or relating to damage to the Land, Improvements, Appurtenances or Materials;
- (I) To the extent not owned by tenants of the Mortgaged Property, all proceeds, products, replacements, additions, substitutions, renewals and accessions of and to the Land, Improvements, Appurtenances or Materials;

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(J) All rents, issues, profits, income and other benefits now or hereafter arising from or in respect of the Land, Improvements or Appurtenances (the "Rents"), it being intended that this granting clause shall constitute an absolute and present assignment of the Rents pledged on a parity with the Land and Improvements and not secondarily;

(K) Any and all leases, licenses and other occupancy agreements now or hereafter affecting the Land, Improvements, Appurtenances or Materials, together with all security therefor and guaranties thereof and all monies payable thereunder, and all books and records owned by Borrower which contain evidence of payments made under the leases and all security given therefor (collectively, the "Leases");

(L) Any and all after-acquired right, title or interest of Borrower in and to any of the property described in the preceding granting clauses; and

(M) The proceeds from the sale, transfer, pledge or other disposition of any or all of the property described in the preceding grant clauses;

(All of the property described in the preceding granting clauses (A) through (M) in this granting paragraph, together with all real and personal, tangible and intangible property pledged in, or to which a security interest attached pursuant to, any of the Loan Documents being sometimes referred to herein collectively as the "Mortgaged Property");

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

PROVIDED, HOWEVER, that if Borrower shall pay the principal and all interest as provided in the Note, and shall pay all other sums herein provided for, or secured hereby, and shall well and truly keep and perform all of the covenants herein contained, then this Mortgage shall be released at the cost of Borrower, otherwise to remain in full force and effect.

BORROWER FURTHER COVENANTS AND AGREES as follows:

I COVENANTS, WARRANTIES AND REPRESENTATIONS

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

1.2 **Compliance with Laws, Insurance and Other Requirements.** Borrower covenants and represents that the Land and the Improvements and the use thereof presently comply with, and will during the full term of this Mortgage continue to comply with, all applicable restrictive covenants, zoning and subdivision ordinances, building and health codes, licenses, Environmental Laws (as hereinafter defined), and civil rights laws (including, but not limited to, The Americans With Disabilities Act of 1990) and regulations and all other applicable laws, ordinances, rules and regulations, and shall observe and comply with all conditions and requirements necessary to maintain in force the insurance required under Section 1.5 hereof, and to preserve and extend any and all rights, licenses, permits (including, but not limited to, zoning variances, special exceptions, and nonconforming uses) privileges, franchises, and concessions which are applicable to the Mortgaged Property or which have been granted to or contracted for by Borrower in connection with any existing or presently contemplated use of the Mortgaged Property. In the event that any building or other improvement on the Mortgaged Property must be altered or

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removed to enable Borrower to comply with the foregoing provisions of this Section 1.2, Borrower shall not commence any such alterations or removals without Mortgagee's prior approval of the need therefor and the plans and specifications pertaining thereto. After such approval, which shall not be unreasonably withheld or delayed, Borrower, at its sole cost and expense, shall effect the alterations or removal so required and approved by Mortgagee. Borrower shall not by act or omission permit any building or other improvement on land not subject to the lien of this Mortgage to rely on the Land or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and Borrower hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Land or any interest therein to be so used. Similarly, no building or other improvement on the Land shall rely on any land not subject to the lien of this Mortgage or any interest therein to fulfill any governmental or municipal requirement. Borrower shall not by act or omission impair the integrity of the Land as a single zoning lot separate and apart from all other premises. Any act or omission by Borrower which would result in a violation of any of the provisions of this Section 1.2 shall be void. If any federal, state or other governmental body or any court issues any notice or order to the effect that the Mortgaged Property or any part thereof is not in compliance with any such covenant, ordinance, code, law or regulation, Borrower will promptly provide Mortgagee with a copy of such notice or order and will immediately commence and diligently perform all such actions as are necessary to comply therewith or otherwise correct such non-compliance. Borrower may in good faith, by appropriate proceedings timely commenced and thereafter diligently pursued, contest the validity or applicability of any such notice or order of non-compliance or the underlying covenant, ordinance, code, law or regulation; provided, that Borrower complies with all applicable laws with respect to any such contest. Borrower agrees, with respect to the construction, operation and leasing of the Land and Improvements, that persons otherwise entitled to any right, benefit, facility or privilege shall not be denied such right, benefit, facility or privilege in any manner or for any purpose or be discriminated against on the basis of race, religion, marital status, age, color, sex, disability, national origin, ancestry, or physical or mental handicap.

1.3 Taxes and Other Charges.

(a) **Taxes, Assessments and Other Charges.** Borrower shall pay promptly when due all taxes, assessments, rates, dues, charges, fees, levies, fines, impositions, liabilities, obligations, liens and encumbrances of every kind and nature whatsoever now or hereafter imposed, levied or assessed upon or against the Mortgaged Property or any part thereof, or upon or against this Mortgage or Borrower's Liabilities or upon or against the interest of Mortgagee in the Mortgaged Property, as well as all taxes, assessments and other governmental charges levied and imposed by the United States of America or any state, county, municipality or other taxing authority upon or in respect of the Mortgaged Property or any part thereof. Borrower shall pay when due all charges incurred for the benefit of the Mortgaged Property (and not charged directly to tenants of the Mortgaged Property) for utilities, such as, but not limited to, energy, fuel, gas, electricity, water, sewer, and garbage removal, whether or not such charges are liens against the Mortgaged Property.

(b) **Taxes Affecting Mortgagee's Interest.** If any state, federal, county, municipal or other governmental law, order, rule or regulation, which becomes effective subsequent to the date hereof, in any manner changes or modifies existing laws governing the taxation of mortgages or debts secured by mortgages, or the manner of collecting taxes, so as to impose on Mortgagee a tax by reason of its ownership of any or all of the Loan Documents or measured by the principal amount of the Note, or which requires or has the practical effect of requiring Mortgagee to pay any portion of the real estate taxes levied in respect of the Mortgaged Property or to pay any tax levied in whole or in part in substitution for real estate taxes, Borrower's Liabilities and all interest accrued thereon shall, upon thirty (30) days' written notice, become due and payable forthwith at the option of Mortgagee, whether or not there shall have occurred an Event of Default (as hereinafter defined); provided, however, that, if Borrower may, without violating or causing a violation of such law, order, rule or regulation, pay such taxes or other sums as are necessary to eliminate such adverse effect upon the rights of Mortgagee and does pay such taxes or other sums when due, Mortgagee may not elect to declare due Borrower's Liabilities by reason of the provisions of this Section 1.3(b).

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1.4 **Mechanic's and Other Liens.** Borrower shall not permit or suffer any mechanic's, laborer's, materialman's, commercial real estate broker's, statutory or other lien or encumbrance (other than any lien for taxes and assessments not yet due) to be created upon or against the Mortgaged Property.

1.5 **Insurance, Casualties and Condemnation.**

(a) **Hazard Insurance.** Borrower shall, at its sole expense, obtain for, deliver to, assign to and maintain for the benefit of Mortgagee, until Borrower's Liabilities are paid in full, policies of hazard insurance in an amount which shall be not less than one hundred percent (100%) of the full insurable replacement cost of the Mortgaged Property (other than the Land) insuring on a replacement cost basis the Mortgaged Property against loss or damage on an "All Risks" form, such insurable hazards, casualties and contingencies as Mortgagee may require, including, without limitation, fire, windstorm, rainstorm, vandalism and, if all or any part of the Mortgaged Property shall at any time be located within an area identified by the government of the United States or any agency thereof as having special flood hazards and for which flood insurance is available, flood. Borrower shall not carry separate insurance, concurrent in kind or form and contributing in the event of loss, with any insurance required hereunder. Borrower shall pay promptly when due any premiums on such insurance policies and on any renewals thereof. The form of such policies and the companies issuing them shall be acceptable to Mortgagee. If any such policy shall contain a coinsurance clause it shall also contain an agreed amount or stipulated value endorsement. All such policies and renewals thereof shall be held by Mortgagee and shall contain a standard mortgagee's noncontributing endorsement making losses payable to Mortgagee. No additional parties shall appear in the mortgagee clause without Mortgagee's prior written consent. In the event of loss, Borrower will give immediate written notice to Mortgagee and Mortgagee may make proof of loss if not made promptly by Borrower (for which purpose Borrower hereby irrevocably appoints Mortgagee as its attorney-in-fact). In the event of the foreclosure of this Mortgage or any other transfer of title to the Mortgaged Property in full or partial satisfaction of Borrower's Liabilities, all right, title and interest of Borrower in and to all insurance policies and renewals thereof then in force shall pass to the purchaser or grantee. All such policies shall provide that they shall not be modified, canceled or terminated without at least thirty (30) days' prior written notice to Mortgagee from the insurer. All such policies shall contain a waiver of subrogation by the insurer.

(b) **Other Insurance.** Borrower shall, at its sole expense, obtain for, deliver to, assign to and maintain for the benefit of, Mortgagee, until Borrower's Liabilities are paid in full, (i) a general liability insurance policy of not less than \$1,000,000, (ii) a loss of rentals and/or business interruption insurance policy (in an amount reasonably acceptable to Mortgagee), and (iii) such other insurance policies relating to the Mortgaged Property and the use and operation thereof, including drayage and workmen's compensation insurance, in such amounts as may be reasonably required by Mortgagee and with such companies and in such form as may be acceptable to Mortgagee. Mortgagee, by written demand upon Borrower, may require such policies to contain an endorsement, in form satisfactory to Mortgagee, naming Mortgagee as an additional insured thereunder and a waiver of subrogation endorsement.

(c) **Adjustment of Loss.** Mortgagee is hereby authorized to make adjustments or compromise claims of any loss under any insurance policies covering or related to the Mortgaged Property and each insurance company is hereby authorized and directed to make payment of all such loss proceeds directly to Mortgagee alone. After deducting from such insurance proceeds any expenses incurred by Mortgagee in the collection and settlement thereof, including, without limitation, attorneys' and adjusters' fees and charges, Mortgagee shall apply the net proceeds as specified in Section 1.5(e) hereof. Mortgagee shall not be responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure except in the event of Mortgagee's gross negligence or willful misconduct.

(d) **Condemnation Awards.** Mortgagee shall be entitled to all compensation, awards, damages, claims, rights of action and proceeds of, or on account of, (i) any damage or taking, pursuant to the power of eminent domain, of the Mortgaged Property or any part thereof, (ii) damage to the Mortgaged Property by reason

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of the taking, pursuant to the power of eminent domain, of other property, or (iii) the alteration of the grade of any street or highway on or about the Mortgaged Property. Mortgagee is hereby authorized, at its option, to commence, appear in and prosecute in its own or Borrower's name any action or proceeding relating to any such compensation, awards, damages, claims, rights of action and proceeds and to settle or compromise any claim in connection therewith. Borrower hereby irrevocably appoints Mortgagee as its attorney-in-fact for the purposes set forth in the preceding sentence. Mortgagee after deducting from such compensation, awards, damages, claims, rights of action and proceeds all its expenses, including attorneys' fees and costs, may apply such net proceeds (except as otherwise specified in Section 1.5(e) hereof) to payment of Borrower's Liabilities in such order and manner as Mortgagee may elect. Borrower agrees to execute such further assignments of any compensation awards, damages, claims, rights of action and proceeds as Mortgagee may require.

(e) **Repair; Proceeds of Casualty Insurance and Eminent Domain.** If all or any part of the Mortgaged Property shall be damaged or destroyed by fire or other casualty or shall be damaged or taken through the exercise of the power of eminent domain or other cause described in Section 1.5(d) hereof, Borrower shall promptly and with all due diligence restore and repair the Mortgaged Property whether or not the proceeds, award or other compensation are sufficient to pay the cost of such restoration or repair. At Mortgagee's election, to be exercised by written notice to Borrower within thirty (30) days following Mortgagee's unrestricted receipt in cash or the equivalent thereof of such proceeds, award or other compensation, the entire amount of said proceeds, award or compensation shall either (i) be applied to Borrower's Liabilities in such order and manner as Mortgagee may elect or (ii) be made available to Borrower on the terms and conditions set forth in this Section 1.5(e) to finance the cost of restoration or repair with any excess to be applied to Borrower's Liabilities. If Mortgagee elects to make proceeds of insurance available for restoration, the amount of proceeds, award or compensation which is to be made available to Borrower, together with any deposits made by Borrower hereunder, shall be held by Mortgagee, or such other party as designated by Mortgagee, to be disbursed to pay the cost of repair or restoration upon completion thereof either, at Mortgagee's option, to Borrower or directly to contractors, subcontractors, material suppliers and other persons entitled to payment in accordance with and subject to such conditions to disbursement as Mortgagee may impose to assure that the work has been fully completed in a good and workmanlike manner and paid for, and that no liens or claims arise by reason thereof. Mortgagee or such other depository may commingle any such funds held by it with its other general funds. Mortgagee or such other depository shall neither be obligated to pay interest in respect of any such funds held by it nor shall Borrower be entitled to a credit against any of Borrower's Liabilities, except and to the extent the funds are applied thereto pursuant to this Section 1.5(e). Notwithstanding any other provision of this Section 1.5(e), if an Event of Default shall be existing at the time of such casualty, taking or other event or if an Event of Default occurs thereafter, Mortgagee shall have the right to apply immediately all insurance proceeds, awards or compensation to the payment of Borrower's Liabilities in such order and manner as Mortgagee may determine. Mortgagee shall have the right at all times to apply such net proceeds to the cure of any Event of Default or the performance of any obligations of Borrower under the Loan Documents.

(f) **Proceeds of Business Interruption and Rental Insurance.** The net proceeds of business interruption and rental insurance shall be paid to Mortgagee for application first to Borrower's Liabilities in such order and manner as Mortgagee may elect and then to the creation of reserves for future payments of Borrower's Liabilities in such amounts as Mortgagee deems reasonably necessary with the balance to be remitted to Borrower subject to such controls as Mortgagee may deem reasonably necessary to assure that said balance is used to discharge accrued and to be accrued expenses of operation and maintenance of the Mortgaged Property.

(g) **Renewal of Policies.** At least thirty (30) days prior to the expiration date of any policy evidencing insurance required under this Section 1.5, a renewal thereof satisfactory to Mortgagee shall be delivered to Mortgagee or substitution therefor, together with the invoice for any premiums then due on such renewal policy or substitute policy.

1.6 **Tax and Insurance Deposits.** Borrower shall, in order to secure the performance and discharge of Borrower's obligations under Sections 1.3(a), 1.5(a), and 1.5(b) hereof, but not in lieu of such

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performance, deposit with Mortgagee on the first day of each calendar month throughout the term of this Mortgage, deposits, in amounts set by Mortgagee from time to time by written notice to Borrower, in order to accumulate funds sufficient to permit Mortgagee to pay all annual ad valorem taxes, assessments and charges of the nature described in said Sections 1.3(a), 1.5(a), and 1.5(b) hereof at least thirty (30) days prior to the date or dates on which they shall become delinquent, or due and payable, as the case may be. Borrower shall procure and deliver to Mortgagee when issued all statements or bills for such obligations. Upon demand by Mortgagee, Borrower shall deliver to Mortgagee such additional monies as are required to satisfy any deficiencies in the amounts necessary to enable Mortgagee to pay such taxes, assessments and insurance charges thirty (30) days prior to the date they become delinquent, or due and payable, as the case may be. Mortgagee shall pay such taxes, assessments and insurance charges as they become due to the extent of the funds on deposit with Mortgagee from time to time and provided Borrower has delivered to Mortgagee the statements or bills therefor. In making any such payments, Mortgagee shall be entitled to rely on any bill issued in respect of any such taxes, assessments or charges without inquiry into the validity, propriety or amount thereof and whether delivered to Mortgagee by Borrower or otherwise obtained by Mortgagee. Any deposits received pursuant to this Section 1.6 shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of Mortgagee and Mortgagee shall have no obligation to pay interest on amounts deposited with Mortgagee pursuant to this Section 1.6. If any Event of Default occurs, any part or all of the amounts then on deposit or thereafter deposited with Mortgagee under this Section 1.6 may, at Mortgagee's option, be applied to payment of Borrower's Liabilities in such order as Mortgagee may determine. Upon assignment of this Mortgage, any funds on hand with Mortgagee, pursuant to this Section 1.6, shall be turned over to the assignee and, provided the assignee shall assume Mortgagee's responsibilities with respect to such funds, any responsibility of Mortgagee with respect to such funds shall terminate. Mortgagee may suspend, and later reinstate, the application of this Section 1.6 as often as it may determine.

1.7 Preservation, Restoration and Use of Mortgaged Property. Borrower shall complete, within a reasonable time, any building or Improvements now or at any time in the process of being constructed upon the Land. The Mortgaged Property shall not (except as required by law) be altered, removed, demolished, destroyed, severed, sold or mortgaged, without the prior written consent of Mortgagee. Subject to the provisions of Section 1.5 hereof, in the event of the alteration, removal, demolition, destruction, severance, sale or mortgage in whole or in part of the Mortgaged Property or by any separate security agreement given in conjunction herewith, the same shall be repaired, restored, rebuilt or replaced promptly so as to be of at least equal value, quality and condition, and substantially of the same character as prior to the alteration, removal, demolition, destruction, severance, sale or mortgage, free from any security interest in or encumbrances thereon or reservation of title thereto. Borrower shall not permit, commit, or suffer any waste, impairment, or deterioration of the Mortgaged Property or any part thereof, and shall keep and maintain the Mortgaged Property and every part thereof in good repair and condition, and effect such repairs as Mortgagee may reasonably require, and, from time to time, make all needful and proper replacements and additions thereto so that said Mortgaged Property or any part thereof will, at all times, be in good condition, fit and proper for the respective purposes for which they were originally erected or installed. Borrower shall not suffer or permit the Mortgaged Property to be abandoned or to be used for any purpose not previously approved by Mortgagee. Borrower shall not subject the Mortgaged Property to any use covenants or restrictions and shall not initiate, join in or consent to any change in any existing private restrictive covenant, zoning ordinance, or other public or private restriction limiting or defining the uses which may be made of or the kind of Improvements which can be constructed or placed on the Land or any part thereof, and shall promptly notify Mortgagee of, and appear in and defend, at Borrower's sole cost and expense, any such proceedings seeking to effect any of the foregoing. Borrower shall not subdivide the Land and shall not subject the Land and Improvements to the provisions of the condominium laws of the State of Illinois. No Improvement on the Land or on land adjoining the Land which is owned or controlled by Borrower shall be constructed unless plans and specifications therefor have been first submitted to Mortgagee and approved by it, in the exercise of its reasonable judgment, as entailing no prejudice to the indebtedness secured hereby or the security therefor.

1.8 Transfer or Encumbrance of the Mortgaged Property. Borrower shall not permit or suffer to occur any sale, assignment, conveyance, transfer, mortgage, lease (other than leases made in accordance with

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the provisions of this Mortgage) or encumbrance of or any contract for any of the foregoing on an installment basis, or otherwise, pertaining to the Mortgaged Property, any part thereof, any interest therein, or in any trust holding title to the Mortgaged Property, or any direct or indirect interest in a corporation, limited liability company, partnership or other entity which owns all or part of the Mortgaged Property or any such beneficial interest, whether by operation of law or otherwise (each hereinafter referred to as a "Transfer or Encumbrance") without the prior written consent of Mortgagee having been obtained (i) to any such Transfer or Encumbrance and (ii) to the form and substance of any instrument evidencing or contracting for any such Transfer or Encumbrance. Without limitation of the foregoing, Mortgagee may condition its consent upon any combination of (i) the payment of a fee to be set by Mortgagee, (ii) the increase of the interest rate payable under the Note, (iii) the shortening of maturity of the Note, or (iv) other modifications of the terms of the Note or the other Loan Documents. Borrower shall not, without the prior written consent of Mortgagee, further assign or permit to be assigned the Rents from the Mortgaged Property, except to further secure Borrower's Liabilities, and any such assignment without the prior written consent of Mortgagee shall be null and void. Borrower shall not permit any interest in any Lease of the Mortgaged Property to be subordinated to any Encumbrance on the Mortgaged Property other than the Loan Documents and any such subordination shall be null and void. Borrower agrees that in the event the ownership of the Mortgaged Property, any interest therein or any part thereof becomes vested in a person other than Borrower, Mortgagee may, without notice to Borrower, deal in any way with such successor or successors in interest with reference to this Mortgage, the Note, the Loan Documents and Borrower's Liabilities without in any way vitiating or discharging Borrower's liability hereunder or Borrower's Liabilities. No sale of the Mortgaged Property, no forbearance to any person with respect to this Mortgage, and no extension to any person of the time for payment of the Note or of any other Borrower's Liabilities given by Mortgagee shall operate to release, discharge, modify, change or affect the original liability of Borrower, either in whole or in part, except to the extent specifically agreed to in writing by Mortgagee.

1.9 Further Assurances. At any time and from time to time, upon Mortgagee's request, and provided that Borrower's Liabilities are not thereby increased, Borrower shall make, execute and deliver, or cause to be made, executed and delivered, to Mortgagee, and where appropriate shall cause to be recorded, registered or filed, and from time to time thereafter to be re-recorded, re-registered and re-filed at such time and in such offices and places as shall be deemed desirable by Mortgagee, any and all such further mortgages, security agreements, financing statements, instruments of further assurance, certificates and other documents as Mortgagee may consider reasonably necessary or desirable in order to effectuate or perfect, or to continue and preserve the obligations under, the Note, this Mortgage, any other Loan Document and any instrument evidencing or securing Borrower's Liabilities, and the lien of this Mortgage as a lien upon all of the Mortgaged Property, whether now owned or hereafter acquired by Borrower, and unto all and every person or persons deriving any estate, right, title or interest under this Mortgage. Upon any failure by Borrower to do so, Mortgagee may make, execute, record, register, file, re-record, re-register or re-file any and all such mortgage, instruments, certificates and documents for and in the name of Borrower, and Borrower hereby irrevocably appoints Mortgagee the agent and attorney-in-fact of Borrower to do so.

1.10 Security Agreement and Financing Statement. Borrower (as debtor) hereby grants to Mortgagee (as creditor and secured party) a security interest under the Illinois Uniform Commercial Code ("UCC") in all fixtures, machinery, appliances, equipment, furniture and personal property of every nature whatsoever constituting part of the Mortgaged Property. Borrower shall execute any and all documents, including, without limitation, financing statements pursuant to the UCC, as Mortgagee may request to evidence, establish, protect, preserve, maintain and perfect the priority of the first lien and security interest created hereby on property which may be deemed personal property or fixtures, and shall pay to Mortgagee on demand any expenses incurred by Mortgagee in connection with the preparation, execution and filing of any such documents. Borrower hereby authorizes and empowers Mortgagee and irrevocably appoints Mortgagee the agent and attorney-in-fact of Borrower to execute and file, on Borrower's behalf, all financing statements and refilings and continuations thereof as Mortgagee deems necessary or advisable to create, preserve and protect such lien. When and if Borrower and Mortgagee shall respectively become the debtor and secured party in any UCC financing statements affecting the

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Mortgaged Property (or Mortgagee takes possession of personal property delivered by Borrower where possession is the means of perfection of the security interest), then, at Mortgagee's sole election, this Mortgage shall be deemed a security agreement as defined in such UCC, and the remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be as prescribed herein or by general law, or, as to such part of the security which is also reflected in such financing statement, by the specific statutory consequences now or hereafter enacted and specified in the UCC. If an Event of Default occurs, Mortgagee shall be entitled immediately to exercise all remedies available to it under the UCC and this Section 1.10. Borrower shall, in such event and if Mortgagee so requests, assemble the tangible personal property at Borrower's expense, at a convenient place designated by Mortgagee. Borrower shall pay all expenses incurred by Mortgagee in the collection of such indebtedness, including reasonable attorneys' fees and legal expenses, and in the repair of any real estate or other property to which any of the tangible personal property may be affixed. If any notification of intended disposition of any of the personal property is required by law, such notification shall be deemed reasonable and proper if given at least ten (10) days before such disposition. Any proceeds of the disposition of any of the personal property may be applied by Mortgagee to the payment of the reasonable expenses of retaking, holding, preparing for sale and selling the personal property, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be applied by Mortgagee toward the payment of such of Borrower's Liabilities, and in such order of application, as Mortgagee may from time to time elect.

1.11 Leases Affecting Mortgaged Property. Borrower shall not permit any Leases to be made of the Mortgaged Property without the prior written consent of Mortgagee. Following approval of a Lease by Mortgagee, Borrower shall not modify the approved Lease in any material respect without Mortgagee's prior written consent. Borrower shall not permit any Lease affecting the Mortgaged Property to be modified, renewed or extended (except pursuant to options in Leases previously approved by Mortgagee).

1.12 Expenses. Borrower shall pay when due and payable, and otherwise on demand and made by Mortgagee, all reasonable out-of-pocket loan fees, appraisal fees, recording and filing fees, taxes, brokerage fees and commissions, financing fees, servicing fees, abstract and survey fees, title insurance fees, escrow fees, attorneys' fees (for purposes of this Mortgage and the other Loan Documents, attorney's fees shall include compensation and overhead expenses attributable to counsel in the employment of Mortgagee in addition to the fees of any other attorneys retained by Mortgagee), court costs, documentary and expert evidence, fees of inspecting architects and engineers, costs of environmental investigations, and all other costs and expenses of every character which have been incurred or which may hereafter be incurred by Mortgagee in connection with any of the following: (i) the preparation, execution, delivery and performance of the Loan Documents; (ii) the funding of the loan evidenced by the Note; (iii) any court or administrative proceeding involving Borrower, the Mortgaged Property or the Loan Documents to which Mortgagee is made a party or is subject to subpoena by reason of its being a holder of any of the Loan Documents, including, without limitation, bankruptcy, insolvency, reorganization, probate, eminent domain, condemnation, tort, environment, civil rights, building code and zoning proceedings; (iv) any court or administrative proceeding or other action undertaken by Mortgagee to enforce any remedy or to collect any indebtedness due under this Mortgage or any of the other Loan Documents following an Event of Default thereunder, including, without limitation, a foreclosure of this Mortgage or a public or private sale under the UCC; (v) any remedy exercised by Mortgagee following an Event of Default, including, without limitation, foreclosure of this Mortgage and actions in connection with taking possession of the Mortgaged Property or collecting rents assigned hereby and by any of the other Loan Documents; (vi) any activity in connection with any request by Borrower, or anyone acting on behalf of Borrower that Mortgagee consent to a proposed action which, pursuant to this Mortgage or any of the other Loan Documents may be undertaken or consummated only with the prior written consent of Mortgagee, whether or not such consent is granted; or (vii) any negotiation undertaken between Mortgagee and Borrower, or anyone acting on behalf of Borrower pertaining to the existence or cure of any default under or the modification or extension of any of the Loan Documents. If Borrower fails to pay said costs and expenses as above provided within ten (10) days after demand therefor, Mortgagee may elect, but shall not be obligated, to pay the costs and expenses described in this Section 1.12, and if Mortgagee does so elect, Borrower will, upon demand by Mortgagee, reimburse Mortgagee for all such expenses which have been or shall be paid or

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incurred by it. The amounts paid by Mortgagee in respect of such expenses, together with interest thereon at the Default Rate (as defined in the Note) from the date paid by Mortgagee until paid by Borrower, shall be added to Borrower's Liabilities, shall be immediately due and payable and shall be secured by the lien of this Mortgage and the other Loan Documents. In the event of foreclosure hereof, Mortgagee shall be entitled to add to the indebtedness found to be due by the court a reasonable estimate of such expenses to be incurred after entry of the decree of foreclosure. To the extent permitted by law, Borrower agrees to hold harmless Mortgagee against and from, and reimburse it for all claims, demands, liabilities, losses, damages, judgments, fines, penalties, costs and expenses, including, without limitation, attorneys' fees, which may be imposed upon, asserted against, or incurred or paid by it by reason of or in connection with any personal injury or death or property damage occurring in or upon or in the vicinity of the Mortgaged Property through any cause whatsoever, or asserted against it on account of any act performed or omitted to be performed hereunder, or on account of any transaction arising out of or in any way connected with the Mortgaged Property, this Mortgage, the other Loan Documents, any of the indebtedness evidenced by the Note or any of Borrower's Liabilities.

1.13 Mortgagee's Performance of Borrower's Obligations. If Borrower fails to pay any tax, assessment, encumbrance or other imposition, or to furnish insurance hereunder, or to perform any other covenant, condition or term in this Mortgage, the Note or any other Loan Document, Mortgagee may, after giving written notice to Borrower, but shall not be obligated to, pay, obtain or perform the same. All payments made, whether such payments are regular or accelerated payments, and costs and expenses incurred or paid by Mortgagee in connection therewith shall be due and payable immediately. The amounts so incurred or paid by Mortgagee, together with interest thereon at the Default Rate (as defined in the Note) from the date paid by Mortgagee until reimbursed by Borrower, shall be added to Borrower's Liabilities and secured by the lien of this Mortgage and the other Loan Documents. Mortgagee is hereby empowered to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing or observing any covenant, condition or term that Borrower has failed to perform or observe, without thereby becoming liable to Borrower or any person in possession holding under Borrower. Performance or payment by Mortgagee of any obligation of Borrower shall not relieve Borrower of such obligation or of the consequences of having failed to perform or pay the same and shall not effect the cure of any Event of Default.

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

1.15 Prevention of Prescription Rights. Borrower shall not suffer or permit the Mortgaged Property, or any portion thereof, to be used by the public, as such, without restriction or in such manner as might reasonably tend to impair Borrower's title to the Mortgaged Property or any portion thereof, or in such manner as might reasonably make possible a claim or claims of easement by prescription or adverse possession by the public, as such, or of implied dedication of the Mortgaged Property or any portion thereof.

1.16 Litigation Involving Mortgaged Property. Borrower shall promptly notify Mortgagee of any litigation, administrative procedure or proposed legislative action initiated against Borrower, or the Mortgaged Property or in which the Mortgaged Property is directly or indirectly affected, including, without limitation, any proceedings which seek to (i) enforce any lien against the Mortgaged Property, (ii) correct, change or prohibit any existing condition, feature or use of the Mortgaged Property, (iii) condemn or demolish the Mortgaged Property,

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(iv) take, by the power of eminent domain, any portion of the Mortgaged Property or any property which would damage the Mortgaged Property, (v) modify the zoning applicable to the Mortgaged Property, or (vi) otherwise adversely affect the Mortgaged Property. Borrower shall initiate or appear in any legal action or other appropriate proceedings when necessary to protect the Mortgaged Property from damage. Borrower shall, upon written request of Mortgagee, represent and defend the interests of Mortgagee in any proceedings described in this Section 1.16 or, at Mortgagee's election, pay the fees and expenses of any counsel retained by Mortgagee to represent the interest of Mortgagee in any such proceedings.

1.17 Environmental Matters. For purposes of this Mortgage: (i) the term "Environmental Law" means any and every federal, state or local law, statute, ordinance and rule of common law, (including, without limitation, the Resource Conservation and Recovery Act of 1976, the Comprehensive Environmental Response Compensation and Liability Act, the Federal Emergency Planning and Community Right-to-Know Law, the OSHA Hazardous Communication Standard, the Clean Air Act, the Clean Water Act, the Hazardous Materials Transportation Act, the Toxic Control Substances Act, the Safe Drinking Water Act, the Refuse Act, the Indoor Radon Abatement Act, the Illinois Environmental Protection Act, and the Illinois Responsible Property Transfer Act, 765 ILCS 90/1 et seq., ("IRPTA"), which pertains to, governs or otherwise regulates the protection of health, worker safety or the environment, including, but not limited to, any of the following activities: (A) the emission, discharge, release, threatened release, spilling or dumping of any Hazardous Material (as hereinafter defined) into the air, surface water, groundwater, soil or substrata; (B) the use, generation, processing, sale, recycling, treatment, handling, storage, disposal, transportation, labelling or other management of any Hazardous Material, together with any rule, regulation, binding interpretation, binding policy, permit, order, court order or consent decree promulgated or issued pursuant to any of the foregoing, as now or at any time hereafter in effect; and (ii) the term "Hazardous Material" means any and every radioactive material, polychlorinated biphenyl, asbestos, petroleum, including, without limitation, crude oil or any fraction thereof, lead based paint, and any pollutant, contaminant, hazardous substance, hazardous material, toxic substance, regulated substance and waste as now or hereafter defined or regulated as such by any applicable Environmental Law. Borrower represents and warrants to Mortgagee that to Borrower's actual knowledge: (i) the Mortgaged Property (including, without limitation, underlying groundwater and areas leased to tenants, if any), and the use and operation thereof, are currently in compliance with all applicable Environmental Laws; all required governmental permits and licenses are in effect, and Borrower is in compliance therewith; (ii) no generation, manufacture, storage, treatment, transportation or disposal of Hazardous Material has occurred during the period of Borrower's legal or equitable ownership of the Mortgaged Property, and no underground storage tanks (including, without limitation, petroleum storage tanks) are present on or under, and none has been removed from, the Mortgaged Property; (iii) there are no pending or threatened: (A) actions or proceedings by any governmental agency or any other entity regarding public health risks or the environmental condition of the Mortgaged Property, or the disposal or presence of Hazardous Material, or regarding any Environmental Law; or (B) liens or governmental actions, notices of violations, notices of noncompliance or other proceedings of any kind that could impair the value of the Mortgaged Property, or the priority of this Mortgage lien or of any of the other documents or instruments now or hereafter given as security for the indebtedness hereby secured; and (iv) the Mortgaged Property is not "real property" within the meaning of Section 3(e) of IRPTA and this Mortgage does not require the delivery or recording of a disclosure document pursuant to the IRPTA. Borrower shall immediately notify Mortgagee and provide copies upon receipt of all written complaints, claims, citations, demands, inquiries, reports or notices relating to the condition of the Mortgaged Property or compliance with Environmental Law. Borrower shall promptly cure and have dismissed any such actions and proceedings to the satisfaction of Mortgagee. Borrower shall keep the Mortgaged Property free of any lien imposed pursuant to any Environmental Law. Borrower shall provide such information and certifications which Mortgagee may reasonably request from time to time to insure Borrower's compliance with Environmental Law, and Mortgagee shall have the right, but no obligation, at any time during normal business hours after notice to Borrower to enter upon the Mortgaged Property, take samples, review Borrower's books and records, interview Borrower's employees and officers, and conduct similar activities. Borrower shall cooperate in the conduct of any such activities. Damage to the Mortgaged Property caused by Mortgagee in conducting such activities shall be repaired by Mortgagee unless Mortgagee had a reasonable basis for suspecting that a violation of any Environmental Law existed. Mortgagee is entitled to rely

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upon Borrower's representations and warranties contained in this Section 1.17 despite any independent investigations by Mortgagee or its consultants. Borrower shall take reasonable actions to determine for itself, and to remain aware of, the environmental condition of the Mortgaged Property and shall have no right to rely upon any environmental investigations or findings made by Mortgagee or its consultants. Borrower shall protect, indemnify and hold harmless Mortgagee, its directors, officers, employees, agents, successors and assigns, from and against any and all loss, damage, cost, expense or liability (including attorneys' fees and costs) directly or indirectly arising out of or attributable to the use, generation, manufacture, production, storage, release, threatened release, discharge, disposal or presence of Hazardous Material on, under or about the Mortgaged Property, including, without limitation, (a) all foreseeable consequential damages; and (b) the costs of any required or necessary repair, cleanup or detoxification of the Mortgaged Property and the preparation and implementation of any closure, remedial or other required plans. This indemnity shall survive the payment of the Note and the reconveyance or release of the lien of this Mortgage, or the extinguishment of the lien by foreclosure or action in reconveyance or extinguishment or deed in lieu of foreclosure. This indemnity shall not apply to any claims, losses, liabilities, damages, penalties, and expenses which are incurred by Mortgagee solely as a direct result of any act or omission of Mortgagee and which are not the result, in whole or in part, of any pre-existing condition or event. In the event that any investigation, site monitoring, containment, clean-up, removal, restoration or other remedial work of any kind or nature (the "Remedial Work") is reasonably necessary or desirable under any applicable local, state or federal law or regulation, any judicial order, or by any governmental entity or person because of, or in connection with, the current or future presence, suspected presence, release or suspected release of any Hazardous Material in or about the air, soil, ground water, surface water or soil vapor at, on, about, under or within the Mortgaged Property (or any portion thereof), Borrower shall within thirty (30) days after written demand for performance thereof by Mortgagee (or such shorter period of time as may be required under any applicable law, regulation, order or agreement), commence and thereafter diligently prosecute to completion, all the Remedial Work. All Remedial Work shall be performed by contractors approved in advance by Mortgagee, and under the supervision of a consulting engineer approved by Mortgagee. All costs and expenses of Remedial Work shall be paid by Borrower including, without limitation, Mortgagee's reasonable attorneys' fees and costs incurred in connection with monitoring or review of the Remedial Work. In the event Borrower shall fail to timely prosecute to completion the Remedial Work, Mortgagee may, but shall not be required to, cause the Remedial Work to be performed and all costs and expenses thereof, or incurred in connection therewith, shall become part of the indebtedness secured hereby.

1.18 **Covenants to Run with the Land.** All the covenants of this Mortgage shall run with the Land.

II DEFAULTS AND REMEDIES

2.1 **Events of Default.** The term "Event of Default", wherever used in this Mortgage, shall mean any one or more of the following events: (i) the failure by Borrower to pay or deposit when due (A) any payment of interest and/or principal payable under the Note; (B) any deposit for taxes and/or insurance due hereunder; or (C) any other sums to be paid by Borrower hereunder; (ii) the failure of Borrower to keep, perform or observe any other covenant, condition or agreement on the part of Borrower in this Mortgage and with respect to failures capable of being cured (in contrast to, by way of example and not limitation, a failure to comply with the provisions of Section 1.8 hereof, respecting a Transfer or Encumbrance made without Mortgagee's prior written consent, for which no notice shall be required and no right to cure shall exist), such failure shall continue for ten (10) days following the delivery of a written notice to Borrower, unless such failure is incapable of being cured within ten (10) days and Borrower is exercising due diligence to correct such failure, in which event Borrower shall have an additional thirty (30) days within which to completely cure such failure; (iii) the occurrence of a default under any of the Loan Documents which is not cured within such cure, grace or other period, if any, provided in such Loan Document; (iv) the untruth in any material respect of any warranty or representation made herein or in any of the other Loan Documents, or in any affidavit or certificate executed by any person in connection with the indebtedness evidenced by the Note, the application therefor or the disbursement thereof; (v) the appointment of a receiver,

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trustee or conservator of Borrower, of all or any part of the Mortgaged Property or Borrower's business pertaining to the operation of the Mortgaged Property, which appointment is not dismissed within sixty (60) days after being made; (vi) an admission in writing by a "Party in Interest" (as hereinafter defined) of its inability to pay debts as they become due; (vii) the institution by a Party in Interest of bankruptcy, reorganization, insolvency or arrangement proceedings of any kind under federal bankruptcy statutes or any similar law (state or federal) now or hereafter existing; (viii) the institution against a Party in Interest of bankruptcy, reorganization, insolvency or arrangement proceedings of any kind under federal bankruptcy statutes or any similar law (state or federal) now or hereafter existing which proceedings are not dismissed within sixty (60) days of filing; (ix) the making of a general assignment for the benefit of creditors by a Party in Interest; (x) the declaration by any court, government or governmental agency of the bankruptcy or insolvency of a Party in Interest which is not dismissed within sixty (60) days after being declared; (xi) the entry of a final judgment against a Party in Interest in excess of \$25,000.00 which is not satisfied within sixty (60) days of the date on which such judgment shall have become final and all stays of execution pending appeal or otherwise shall have expired; (xii) the issuance of a writ or warrant of attachment, levy, seizure or distraint or any similar process against a Party in Interest or all or a material part of the Mortgaged Property which is not stayed within sixty (60) days of issuance or the lapse of any such stay; (xiii) if Borrower is a partnership, any amendment of the partnership agreement of Borrower or of the partnership agreement of the partnership which is the general partner of Borrower or of a change in the ownership or control of the corporation or limited liability company which is the general partner of Borrower which would result in a violation of Section 1.8 hereof, without Mortgagee's prior written consent; (xiv) if Borrower is a corporation or a limited liability company, any change in ownership and control of Borrower which would result in a violation of Section 1.8 hereof, without Mortgagee's prior written consent, or (xv) the death of any guarantor of the indebtedness secured hereby, unless within sixty (60) days thereafter another guarantor, having substantially the same or greater net worth and liquidity as the deceased guarantor had at the time of his or her death, and who is otherwise acceptable to Mortgagee (whose acceptance shall not be unreasonably withheld) agrees in writing to guarantee the Loan on substantially the same terms and conditions as agreed to by the deceased guarantor. The term "Party in Interest" means (i) each of the parties comprising Borrower, (ii) any and each general partner of Borrower, if Borrower is a partnership, (iii) any and each person or persons owning or otherwise possessing a controlling interest in Borrower, if Borrower is a corporation or a limited liability company, and (iv) any and each guarantor of the indebtedness secured hereby.

2.2 Acceleration of Maturity. If an Event of Default shall have occurred, Mortgagee may declare the outstanding principal amount of the Note and the interest accrued thereon and any other of Borrower's Liabilities to be immediately due and payable, and upon such declaration such principal and interest and other Borrower's Liabilities shall be due and payable without further demand or notice.

2.3 Foreclosure and Other Remedies. In addition to any other remedy herein specified, if an Event of Default occurs, Mortgagee may proceed to protect and enforce the rights of Mortgagee hereunder (i) by the foreclosure of this Mortgage pursuant to the Illinois Mortgage Foreclosure Act, (735 IL CS 5/15-1101 *et seq.*), as from time to time amended (the "Act") or as otherwise permitted by law, with respect to either (and at Mortgagee's option) the entire amount of Borrower's Liabilities, or any delinquent installment or installments of the indebtedness secured hereby without accelerating the due date of the entire indebtedness, in which case any sale of the Mortgaged Property under such a foreclosure proceeding shall be subject to and shall not affect the unmatured part of the indebtedness secured hereby and this Mortgage shall be and continue as a lien on the Mortgaged Property securing such unmatured indebtedness, or (ii) by any action at law, suit in equity or other appropriate proceedings, whether of the specific performance of any agreement contained herein, or for an injunction against the violation of any of the terms hereof, or in aid of the exercise of any power granted hereby or by law.

2.4 Appointment of Receiver. If an Event of Default occurs, Mortgagee shall, as a matter of right, with notice and without giving bond to Borrower or anyone claiming by, under or through it, and without regard to the solvency or insolvency of Borrower or the then value of the Mortgaged Property, be entitled to have a receiver appointed pursuant to Section 15-1702 of the Act of all or any part of the Mortgaged Property and the Rents, issues and profits thereof, with such power as the court making such appointment shall confer, and Borrower

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hereby consents to the appointment of such receiver and shall not oppose any such appointment. Any such receiver may, to the extent permitted under applicable law, with notice, enter upon and take possession of the Mortgaged Property or any part thereof and may remove Borrower or other persons as provided by law and any and all property therefrom, and may hold, operate and manage the same and receive all earnings, income, Rents, issues and proceeds accruing with respect thereto or any part thereof, whether during the pendency of any foreclosure or until any right of redemption shall expire or otherwise.

2.5 Mortgagee's Right to Enter and Take Possession, Operate and Apply Income. If an Event of Default occurs, upon demand by Mortgagee, whether before or after institution of legal proceedings to foreclose the lien of this Mortgage or before or after the sale thereunder, Borrower shall surrender to Mortgagee and Mortgagee may enter and take possession of the Mortgaged Property or any part thereof personally, by its agent or attorneys or be placed in possession pursuant to court order as mortgagee-in-possession or receiver as provided in Section 15-701 of the Act, and Mortgagee, in its discretion, personally, by its agents or attorneys or pursuant to court order as mortgagee-in-possession or receiver as provided in Section 15-1701 of the Act may enter upon and take and maintain possession of all or any part of the Mortgaged Property, together with all Leases, documents, books, records, papers, and accounts of Borrower relating thereto, and may exclude Borrower and any agents and servants thereof wholly therefrom and may, on behalf of Borrower, or in its own name as Mortgagee and under the powers herein granted, (i) hold, operate, manage and control all or any part of the Mortgaged Property and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment or security of the Rents, issues, deposits, profits, and avails of the Mortgaged Property, including, without limitation, actions for recovery of rent, actions in forcible detainer, and actions in distress for rent, all without notice to Borrower; (ii) cancel or terminate any Lease or sublease of all or any part of the Mortgaged Property for any cause or on any ground that would entitle Borrower to cancel the same; (iii) to the extent permitted by law, elect to disaffirm any Lease or sublease of all or any part of the Mortgaged Property made subsequent to this Mortgage without Mortgagee's prior written consent; (iv) extend or modify any then existing Leases and make new Leases of all or any part of the Mortgaged Property, which extensions, modifications, and new Leases may provide for terms to expire or for options to lessees to extend or renew terms to expire, beyond the Maturity Date 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 Borrower, all persons whose interests in the Mortgaged Property are subject to the lien hereof, and the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the indebtedness hereby secured, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any such purchaser; (v) make all necessary or proper repairs, decoration renewals, replacements, alterations, additions, betterments, and improvements in connection with the Mortgaged Property as may seem reasonable to Mortgagee, to insure and reinsure the Mortgaged Property and all risk incidental to Mortgagee's possession, operation and management thereof, and to receive all Rents, issues, deposits, profits, and avails therefrom; and (vi) apply the net income, after allowing a reasonable fee for the collection thereof and for the management of the Mortgaged Property, to the payment of taxes, premiums and other charges applicable to the Mortgaged Property, or in reduction of the indebtedness hereby secured in such order and manner as Mortgagee shall select. Nothing herein contained shall be construed as constituting Mortgagee a mortgagee-in-possession in the absence of the actual taking of possession of the Mortgaged Property. The right to enter and take possession of the Mortgaged Property and use any personal property therein, to manage, operate, conserve and improve the Mortgaged Property, and to collect the Rents, issues and profits thereof, shall be in addition to all other rights or remedies of Mortgagee hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. Mortgagee shall not be liable to account to Borrower for any action taken pursuant thereto other than to account for any Rents actually received by Mortgagee. Without taking possession of the Mortgaged Property in the event the Mortgaged Property becomes vacant or are abandoned, Mortgagee may take such steps as it deems appropriate to protect and secure the Mortgaged Property, including, without limitation, hiring watchmen therefor, and all costs incurred in so doing shall constitute additional indebtedness hereby secured payable upon demand with interest thereon at the Default Rate (as defined in the Note).

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2.6 **Waiver of Appraisal, Valuation, Stay, Extension and Redemption Laws.** Borrower shall not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted in order to prevent or hinder the enforcement or foreclosure of this Mortgage, and hereby waives the benefit of such laws. To the fullest extent permitted by law, Borrower hereby voluntarily and knowingly waives any and all rights of redemption as allowed under Section 15-1601(b) of the Act, and to the fullest extent permitted by law, the benefits of all present and future valuation, appraisal, homestead, exemption and moratorium laws under any state or federal law, all on behalf of Borrower, and each and every person acquiring any interest in, or title to the Mortgaged Property described herein subsequent to the date of this Mortgage, and on behalf of all other persons. Borrower acknowledges and agrees that the land covered by this Mortgage at the time of execution hereof is neither "Agricultural Real Estate" nor "Residential Real Estate" (as those terms are defined in the Act).

2.7 **Costs and Expenses of Foreclosure.** In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness hereby secured in the decree of sale, all expenditures and expenses authorized by the Act and all other expenditures and expenses specified in Section 1.12 hereof.

2.8 **Sale of Mortgaged Property.** Borrower for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. In the event of any sale made under or by virtue of this instrument, the whole of the Mortgaged Property may be sold in one parcel as an entirety or in separate lots or parcels at the same or different times, all as Mortgagee may determine. Mortgagee shall have the right to become the purchaser at any sale made under or by virtue of this instrument and Mortgagee so purchasing at any such sale shall have the right to be credited upon the amount of the bid made therefor by Mortgagee with the amount payable to Mortgagee out of the net proceeds of such sale. Any real estate or any interest or estate therein sold pursuant to any court order or decree obtained pursuant to this Mortgage shall be sold in one parcel, as an entirety, or in such parcels and in such manner or order as Mortgagee, in its sole discretion may elect, to the maximum extent permitted by the Act. At any such sale, Mortgagee may bid for and acquire, as purchaser, the Mortgaged Property or any part thereof, and in lieu of paying cash therefor, may make settlement for the purchase price by crediting upon the indebtedness due the amount of Mortgagee's bid.

2.9 **Application of Proceeds.** The proceeds of any foreclosure sale of the Mortgaged Property or of any sale of property pursuant to this Mortgage shall be distributed in the following order of priority: First, on account of all costs and expenses incident to the foreclosure or other proceedings, including all such items as are mentioned in this Mortgage; Second, to all other items which under the terms hereof constitute indebtedness hereby secured in addition to that evidenced by the Note with interest thereon as herein provided; Third, to all interest on the Note; Fourth, to all principal on the Note; Fifth, any surplus to whomsoever shall be lawfully entitled to such surplus.

2.10 **Remedies Cumulative and Concurrent.** No remedy or right of Mortgagee hereunder, or under any other Loan Document or otherwise available under applicable law, shall be exclusive of any other right or remedy, but each such remedy or right shall be in addition to, every other remedy or right now or hereafter existing at law or in equity under any such document or under applicable law. No delay in the exercise of, or omission to exercise, any remedy or right accruing on any default shall impair any such remedy or right to be construed to be a waiver of any such default or any acquiescence therein, or shall it affect any subsequent default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Mortgagee. All obligations of Borrower, and all rights, powers and remedies of Mortgagee expressed herein shall be in addition to, and not in limitation of, those provided by law or in the Note or any other Loan Documents.

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2.11 **Partial Payments.** Acceptance by Mortgagee of any payment which is less than payment in full of all amounts due and payable at the time of such payment shall not constitute a waiver of Mortgagee's right to demand payment of the balance due, or any other rights of Mortgagee at that time or any subsequent time.

2.12 **Tender of Payment After Acceleration.** In the event, after legal proceedings are instituted to foreclose the lien of this Mortgage, tender is made of the entire indebtedness due hereunder, Mortgagee shall be entitled to reimbursement for expenses incurred in connection with such legal proceedings, including, without limitation, such expenditures as are enumerated herein, and such expenses shall be additional indebtedness secured by this Mortgage, and no such suit or proceedings shall be dismissed or otherwise disposed of until such fees, expenses, and charges shall have been paid in full.

2.13 **Delays and Omissions.** No course of dealing and no delay in the exercise of or failure to exercise any remedy or right accruing by reason of any default under this Mortgage shall impair any such remedy or right or be construed to be a waiver of any such default or acquiescence therein, or shall it affect any subsequent default of the same or of a different nature.

2.14 **Rescission of Election.** Acceleration of maturity, once made by Mortgagee, may at the option of Mortgagee be rescinded, and any proceedings brought to enforce any rights or remedies hereunder may, at Mortgagee's option, be discontinued or dismissed, whereupon, in either of such events, Borrower and Mortgagee shall be restored to their former positions, and the rights, remedies and power of Mortgagee shall continue as if such acceleration had not been made or such proceedings had not been commenced, as the case may be.

2.15 **No Liability on Mortgagee.** Notwithstanding anything contained herein to the contrary, Mortgagee shall not be obligated to perform or discharge, any obligation, duty or liability of Borrower, whether under any of the Leases or otherwise, and Borrower shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, claim, expense, loss or damage which Mortgagee may or might incur with respect to the Mortgaged Property, or under or by reason of its exercise of rights hereunder, or of and from any and all claims and demands whatsoever which may be asserted against Mortgagee by reason of any alleged obligations or undertakings on its part to be performed or discharged unless due to the gross negligence or willful misconduct of Mortgagee, its agents or employees. Mortgagee shall not have responsibility for the control, care, management or repair of the Mortgaged Property, or shall Mortgagee be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Mortgaged Property resulting in loss or injury or death to any tenant, licensee, employee or stranger. No liability shall be enforced or asserted against Mortgagee in its exercise of the powers herein granted to it, and Borrower expressly waives and releases any such liability except in the event of the gross negligence or willful misconduct of Mortgagee following Mortgagee's obtaining of title to or possession of the Mortgaged Property. If Mortgagee incurs any such liability, loss or damage, under any of the Leases or under or by reason hereof, or in the defense of any claims or demands, Borrower, to the fullest extent permitted by law, agrees to reimburse Mortgagee immediately upon demand for the amount thereof, including costs, expenses and reasonable attorney's fees, together with interest thereon from the date of such payment at the Default Rate (as defined in the Note).

2.16 **Extent of Remedies.** In the event that any provision in this Mortgage shall be inconsistent with any provision of the Act, the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act. If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon default of Borrower which are more limited than the rights that would otherwise be vested in Mortgagee, then Mortgagee shall be vested with the rights granted in the Act to the full extent permitted by law. Without limiting the generality of the foregoing, all expenses incurred by Mortgagee to the extent reimbursable under Sections 15-1510 and 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in this Mortgage, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

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III MISCELLANEOUS PROVISIONS

3.1 **Heirs, Successors and Assigns Included in Parties.** Whenever Borrower or Mortgagee is named or referred to herein, heirs and successors and assigns of such person or entity shall be included, and all covenants and agreements contained in this Mortgage shall bind the successors and assigns of Borrower, including any subsequent owner of all or any part of the Mortgaged Property and inure to the benefit of the successors and assigns of Mortgagee. This Section 3.1 shall not be construed to permit any Transfer or Encumbrance otherwise prohibited by this Mortgage.

3.2 **Notices.** Any notice which Mortgagee or Borrower is required or desires to give to the other party shall be in writing, shall be effective for all purposes if delivered by hand or by means of a service, including, but not limited to, the United States Postal Service or express package service, which provides proof of delivery (or attempted delivery, as the case may be), and shall conclusively be deemed given on the date of actual receipt by the party to which it is directed, or on the date such a delivery is attempted but cannot be made because of a changed address of which no notice was given, rejection, or other refusal to accept said delivery. Notices to Borrower or Mortgagee shall be directed to their respective addresses specified at the conclusion hereof, or the beginning hereof, as the case may be, subject to the right any party shall have to designate, from time to time, a different address for itself by giving notice to the other party in accordance with this Section 3.2.

3.3 **Headings; Section References.** The headings of articles, sections, paragraphs and subdivisions of this Mortgage are for convenience only, are not to be considered a part hereof, and shall not limit, expand or otherwise affect any of the terms hereof. References herein to a section which has a number but no text and has after it two or more sections identified by such number with a letter following it, shall mean all such sections which include such number.

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

3.5 **Amendments.** Neither this Mortgage nor any term hereof may be released, changed, waived, discharged or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the release, change, waiver, discharge or termination is sought. To the extent permitted by law, any agreement hereafter made by Borrower and Mortgagee relating to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance. Any holder of a lien or encumbrance junior to the lien of this Mortgage shall take its lien subject to the right of Mortgagee to amend, modify or supplement this Mortgage, the Note or any of the other Loan Documents, to extend the maturity of Borrower's Liabilities or any portion thereof, to vary the rate of interest chargeable under the Note and to increase the amount of the indebtedness secured hereby, in each and every case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien.

3.6 **Interpretation.** As used in this Mortgage, the singular shall include the plural, and masculine, feminine, and neuter pronouns shall be fully interchangeable, where the context so requires.

3.7 **Governing Law.** This Mortgage has been executed in the State of Illinois and shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Illinois, without regard to principles of conflicts of law.

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3.8 **Releases.** Mortgagee, without notice, and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior liens, may release any part of the Mortgaged Property or any person liable for any indebtedness secured hereby, without in any way affecting the liability of any party to the Note, this Mortgage, any other Loan Document or guaranty, if any, given as additional security for the indebtedness secured hereby and without in any way affecting the priority of the lien of this Mortgage, and may agree with any party obligated on said indebtedness herein to extend the time for payment of any part or all of the indebtedness secured hereby. Such agreement shall not, in any way, release or impair the lien created by this Mortgage, or reduce or modify the liability, if any, of any person or entity personally obligated for the indebtedness secured hereby, but shall extend the lien hereof as against the title of all parties having any interest in said security which interest is subject to the indebtedness secured by this Mortgage.

3.9 **Future Advances; Protective Advances.** This Mortgage is given to secure not only existing indebtedness, but also all future advances (whether such advances are obligatory or are to be made at the option of Mortgagee, or otherwise) as are made by Mortgagee within twenty (20) years of the date of this Mortgage, to the same extent as if such future advances were made on the date of the execution of this Mortgage, even though there may be no indebtedness outstanding at the time any such advance is made. The total amount of indebtedness that may be so secured may decrease or increase from time to time, but all indebtedness secured hereby shall in no event, exceed the amount equal to five (5) times the original principal sum of the Note as specified in the preamble paragraph of this Mortgage. All advances, disbursements and expenditures made by Mortgagee before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, for the purposes authorized by this Mortgage or by the Act, shall have the benefit of all applicable provisions of the Act.

3.10 **Time is of the Essence.** It is specifically agreed that time is of the essence of this Mortgage.

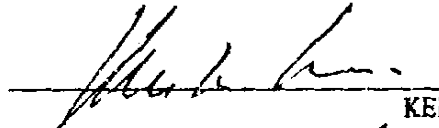
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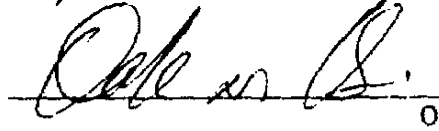
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IN WITNESS WHEREOF, Borrower has executed this instrument as of the date first above written.


KEN B. BAI


OAK N. BAI

Address of Borrower for Notices:

2519 Arlingdale Dr.
Palatine, IL 60067

(If Borrower is a corporation, limited liability company or partnership, the person signing this Mortgage must indicate the capacity in which such person is signing.)

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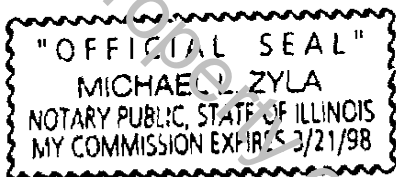
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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Michael L. Zyla, a Notary Public in and for said County, in the State aforesaid, do hereby certify that KEN B. BAI and CHEN BAI who is/are personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she/they signed and delivered the said instrument as his/her/their own free and voluntary act for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 15th day of MAY, 1996



[Handwritten Signature]
Notary Public

STATE OF ILLINOIS)
) SS.
COUNTY OF _____)

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _____ of _____, a(n) _____, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as such officer of said _____ as his/her own free and voluntary act and as the free and voluntary act of said _____, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this ____ day of _____, 19__.

Notary Public

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EXHIBIT "A"

LEGAL DESCRIPTION OF LAND

LOT 10 IN BLOCK 1 IN HIGHLAND MEADOWS, BEING A SUBDIVISION OF PARTS OF THE SOUTH WEST QUARTER OF SECTION 27 AND THE SOUTH EAST QUARTER OF SECTION 28 AND PART OF LOT 1 IN GEISLER'S SUBDIVISION, RECORDED AS DOCUMENT NUMBER 14369552, ALL IN TOWNSHIP 42 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED NOVEMBER 11, 1978 AS DOCUMENT 24731265, IN COOK COUNTY, ILLINOIS.

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COOK COUNTY
RECORDER
JESSE WHITE
SKOKIE OFFICE

96612365

Real Estate Tax No.: 02-28-400-076

Common Address: 2519 Arlingdale Drive, Palatine, IL 60067

61.00
1.00 memo
62.00
RW

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