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2009071301193005001ECD5C

RECORDING AND ENDORSEMENT COVER PAGE

PAGE 1 OF 28

Document ID: 2009071301193005

Document Date: 09-29-2006

Preparation Date: 07-14-2009

Document Type: MORTGAGE

Document Page Count: 25

PRESENTER:

CHICAGO TITLE INSURANCE CO. (PICK-UP)
711 THIRD AVE, 5TH FLOOR
3209-85006
NEW YORK, NY 10017
212-880-1200
chackoe@ctt.com

RETURN TO:

CHICAGO TITLE INSURANCE CO. (PICK-UP)
PAUL, HASTINGS, JANOFFSKY & WALKER LLP
75 EAST 55TH STREET (ROBERT J. GRADOS ESQ)
NEW YORK, NY 10021

PROPERTY DATA

Borough	Block	Lot	Unit	Address
BRONX	3249	1005	Entire Lot 1B	2796 SEDGWICK AVENUE

Property Type: SINGLE RESIDENTIAL CONDO UNIT

Borough	Block	Lot	Unit	Address
BRONX	3249	1006	Entire Lot 1C	2796 SEDGWICK AVENUE

Property Type: SINGLE RESIDENTIAL CONDO UNIT

x Additional Properties on Continuation Page

CROSS REFERENCE DATA

CRFN _____ or Document ID _____ or Year _____ Reel _____ Page _____ or File Number _____

PARTIES

MORTGAGOR/BORROWER:

SEDWICK CONDOS LLC
C/O JACKSON DEVELOPMENT GROUP, 242-01
BRADDOCK AVENUE
BELLEROSE, NY 11426

MORTGAGEE/LENDER:

CIF LENDING LLC
299 PARK AVENUE
NEW YORK, NY 10171

FEES AND TAXES

Mortgage			Filing Fee:		
Mortgage Amount:	\$	2,232,077.00		\$	0.00
Taxable Mortgage Amount:	\$	2,232,077.00	NYC Real Property Transfer Tax:		
Exemption:				\$	0.00
TAXES: County (Basic):	\$	11,160.50	NYS Real Estate Transfer Tax:		
City (Additional):	\$	25,111.13		\$	0.00
Spec (Additional):	\$	5,580.25			
TASF:	\$	0.00			
MTA:	\$	6,696.30			
NYCTA:	\$	13,950.63			
Additional MRT:	\$	0.00			
TOTAL:	\$	62,498.81			
Recording Fee:	\$	240.00			
Affidavit Fee:	\$	0.00			



**RECORDED OR FILED IN THE OFFICE
OF THE CITY REGISTER OF THE
CITY OF NEW YORK**

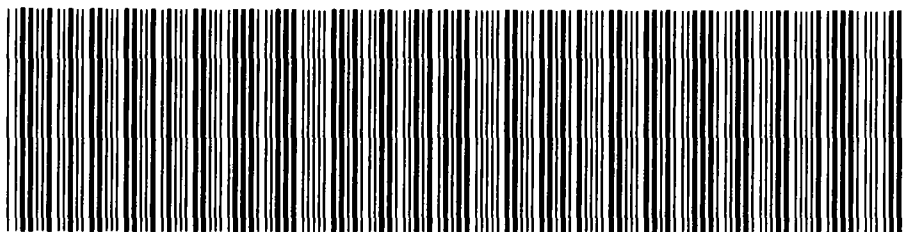
Recorded/Filed 07-15-2009 14:26

City Register File No.(CRFN):

2009000217189

Annette McMill

City Register Official Signature



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RECORDING AND ENDORSEMENT COVER PAGE (CONTINUATION) PAGE 2 OF 28

Document ID: 2009071301193005

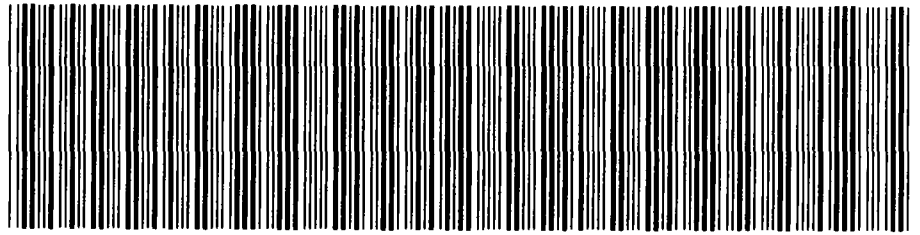
Document Date: 09-29-2006

Preparation Date: 07-14-2009

Document Type: MORTGAGE

PROPERTY DATA

Borough	Block	Lot	Unit	Address
BRONX	3249	1007 Entire Lot	1D	2796 SEDGWICK AVENUE
Property Type: SINGLE RESIDENTIAL CONDO UNIT				
BRONX	3249	1027 Entire Lot	3D	2796 SEDGWICK AVENUE
Property Type: SINGLE RESIDENTIAL CONDO UNIT				
BRONX	3249	1036 Entire Lot	4C	2796 SEDGWICK AVENUE
Property Type: SINGLE RESIDENTIAL CONDO UNIT				
BRONX	3249	1001 Entire Lot	C1	2796 SEDGWICK AVENUE
Property Type: SINGLE RESIDENTIAL CONDO UNIT				
BRONX	3249	1008 Entire Lot	1A	2794 SEDGWICK AVENUE
Property Type: SINGLE RESIDENTIAL CONDO UNIT				
BRONX	3249	1009 Entire Lot	1B	2794 SEDGWICK AVENUE
Property Type: SINGLE RESIDENTIAL CONDO UNIT				
BRONX	3249	1011 Entire Lot	1D	2794 SEDGWICK AVENUE
Property Type: SINGLE RESIDENTIAL CONDO UNIT				
BRONX	3249	1030 Entire Lot	3C	2794 SEDGWICK AVENUE
Property Type: SINGLE RESIDENTIAL CONDO UNIT				
BRONX	3249	1040 Entire Lot	4C	2794 SEDGWICK AVENUE
Property Type: SINGLE RESIDENTIAL CONDO UNIT				
BRONX	3249	1002 Entire Lot	C2	2794 SEDGWICK AVENUE
Property Type: SINGLE RESIDENTIAL CONDO UNIT				
BRONX	3249	1013 Entire Lot	1B	2792 SEDGWICK AVENUE
Property Type: SINGLE RESIDENTIAL CONDO UNIT				
BRONX	3249	1043 Entire Lot	4B	2792 SEDGWICK AVENUE
Property Type: SINGLE RESIDENTIAL CONDO UNIT				
BRONX	3249	1003 Entire Lot	C3	2972 SEDGWICK AVENUE
Property Type: SINGLE RESIDENTIAL CONDO UNIT				
BRONX	3249	1049 Entire Lot	PK-6	2792 SEDGWICK AVENUE
Property Type: COMMERCIAL CONDO UNIT(S)				



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RECORDING AND ENDORSEMENT COVER PAGE (CONTINUATION) PAGE 3 OF 28

Document ID: 2009071301193005

Document Date: 09-29-2006

Preparation Date: 07-14-2009

Document Type: MORTGAGE

PROPERTY DATA

Borough	Block	Lot	Unit	Address
BRONX	3249	1050 Entire Lot	PK-7	2792 SEDGWICK AVENUE
	Property Type: COMMERCIAL CONDO UNIT(S)			
Borough	Block	Lot	Unit	Address
BRONX	3249	1055 Entire Lot	PK-12	2792 SEDGWICK AVENUE
	Property Type: COMMERCIAL CONDO UNIT(S)			
Borough	Block	Lot	Unit	Address
BRONX	3249	1059 Entire Lot	PK-16	2792 SEDGWICK AVENUE
	Property Type: COMMERCIAL CONDO UNIT(S)			
Borough	Block	Lot	Unit	Address
BRONX	3249	1061 Entire Lot	PK-18	2792 SEDGWICK AVENUE
	Property Type: COMMERCIAL CONDO UNIT(S)			
Borough	Block	Lot	Unit	Address
BRONX	3249	1069 Entire Lot	PK-26	2792 SEDGWICK AVENUE
	Property Type: COMMERCIAL CONDO UNIT(S)			
Borough	Block	Lot	Unit	Address
BRONX	3249	1070 Entire Lot	PK-27	2792 SEDGWICK AVENUE
	Property Type: COMMERCIAL CONDO UNIT(S)			
Borough	Block	Lot	Unit	Address
BRONX	3249	1071 Entire Lot	PK-28	2792 SEDGWICK AVENUE
	Property Type: COMMERCIAL CONDO UNIT(S)			
Borough	Block	Lot	Unit	Address
BRONX	3249	1072 Entire Lot	PK-29	2792 SEDGWICK AVENUE
	Property Type: COMMERCIAL CONDO UNIT(S)			
Borough	Block	Lot	Unit	Address
BRONX	3249	1073 Entire Lot	PK-30	2792 SEDGWICK AVENUE
	Property Type: COMMERCIAL CONDO UNIT(S)			
Borough	Block	Lot	Unit	Address
BRONX	3249	1074 Entire Lot	PK-31	2792 SEDGWICK AVENUE
	Property Type: COMMERCIAL CONDO UNIT(S)			
Borough	Block	Lot	Unit	Address
BRONX	3249	1075 Entire Lot	PK-32	2792 SEDGWICK AVENUE
	Property Type: COMMERCIAL CONDO UNIT(S)			

**MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT
OF LEASES AND RENTS AND FINANCING STATEMENT (FIXTURE FILING)**

made by

**SEDGWICK CONDOS LLC
(Mortgagor)**

to

**CIF LENDING LLC
(Mortgagee)**

Dated as of September 29, 2006

Property Location:
2792-2796 Sedgwick Avenue
Bronx, New York
(Bronx County)

This Mortgage was Prepared By
and When Recorded Return To:

Paul, Hastings, Janofsky & Walker LLP
75 East 55th Street
New York, New York 10021
Attention: Robert J. Grados, Esq.
Reference: 39772.00037

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MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FINANCING STATEMENT (FIXTURE FILING), dated as of September 29, 2006, made by SEDGWICK CONDOS LLC, a New York limited liability company ("Mortgagor"), whose address c/o Jackson Development Group, 242-01 Braddock Avenue, Bellerose, New York 11426, to CIF LENDING LLC, a Delaware limited liability company, together with its successors and/or assigns ("Mortgagee"), whose address is 299 Park Avenue, New York, New York 10171. References to this "Mortgage" shall mean this instrument and any and all renewals, modifications, amendments, restatements, supplements, extensions, consolidations, substitutions, spreaders and replacements of this instrument.

Background

(a) ARW Development, LLC ("Borrower") and Mortgagee are parties to that certain Credit Agreement, dated as the date hereof (as amended, supplemented, restated or otherwise modified from time to time, the "Credit Agreement"). The terms of the Credit Agreement are incorporated by reference in this Mortgage as if the terms thereof were fully set forth herein. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed to such terms in the Credit Agreement.

(b) Pursuant to the Credit Agreement, Mortgagee has agreed to make extensions of credit to Borrower upon the terms and subject to the conditions set forth in the Credit Agreement.

(c) Mortgagor is a wholly-owned Subsidiary of Borrower and the proceeds of the extensions of credit under the Credit Agreement will be used to enable Borrower to make valuable transfers of funds to Mortgagor in connection with Mortgagor's acquisition and/or development of an Acquired Property.

(d) Mortgagor will derive substantial direct and indirect benefit from the extensions of credit to Borrower under the Credit Agreement.

(e) Mortgagor is or will be a party to the Subsidiary Guaranty which, among other things, guarantees payment in full of the Loan.

(f) Mortgagor is the owner of the fee simple estate in the parcel(s) of real property described on Schedule A attached hereto and made a part hereof (the "Land") and owns, leases or otherwise has the right to use all of the buildings, improvements, structures and fixtures now or subsequently located on the Land (the "Improvements"; the Land and the Improvements being hereinafter collectively referred to as the "Real Estate").

Granting Clauses

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor agrees that to secure the payment and performance of (i) any and all guarantee obligations of the Mortgagor, and (ii) all other obligations and liabilities of Mortgagor which may arise under or in connection with the Credit Agreement, the Subsidiary

Guaranty, this Mortgage or any other Loan Document to which Mortgagor is a party, in each case whether on account of direct obligations, indirect obligations, guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Mortgagee that are required to be paid by Mortgagor or Borrower pursuant to the terms of this Mortgage or any other Loan Document) (collectively, the "Obligations"), MORTGAGOR HEREBY (I) MORTGAGES, GIVES, GRANTS, BARGAINS, SELLS, ALIENS, ENFEOFFS, CONVEYS, CONFIRMS, WARRANTS, PLEDGES, ASSIGNS AND HYPOTHECATES UNTO MORTGAGEE TOGETHER WITH ITS SUCCESSORS, ASSIGNS, WITH THE POWER OF SALE AND RIGHT OF ENTRY AND POSSESSION, FOR THE USE AND BENEFIT AND SECURITY OF MORTGAGEE AND ITS SUCCESSORS AND/OR ASSIGNS, AND (II) GRANTS TO MORTGAGEE A LIEN UPON AND A SECURITY INTEREST IN AND SETS OVER TO MORTGAGEE:

- (i) all present and future right, title and interest of Mortgagor in and to the Land;
- (ii) all present and future right, title and interest of Mortgagor in and to the Improvements (if any);
- (iii) all present and future right, title and interest of Mortgagor in, to and under all easements, rights of way, licenses, operating agreements, abutting strips and gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water and flowage rights, development rights, air rights, mineral and soil rights, plants, standing and fallen timber, and all estates, rights, titles, interests, privileges, licenses, tenements, hereditaments and appurtenances belonging, relating or appertaining to the Real Estate, and any reversions, remainders, rents, issues, profits and revenue thereof or therefrom and all land lying in the bed of any street, road or avenue in front of or adjoining the Real Estate to the center line thereof;
- (iv) all of the fixtures, chattels, business machines, machinery, apparatus, equipment, furnishings, fittings, appliances and articles of personal property of every kind and nature whatsoever, and all appurtenances and additions thereto and substitutions or replacements thereof (together with, in each case, attachments, components, parts and accessories), whether currently owned or subsequently acquired by Mortgagor and whether now or subsequently attached to, contained in or used or usable in any way in connection with the operation or letting of the Real Estate, including, without limitation, all screens, awnings, shades, blinds, curtains, draperies, artwork, carpets, rugs, storm doors and windows, furniture and furnishings, heating, electrical and mechanical equipment, lighting, switchboards, plumbing, ventilating, air conditioning and air-cooling apparatus, refrigerating and incinerating equipment, escalators, elevators, loading and unloading equipment and systems, stoves, ranges, laundry equipment, cleaning systems (including window cleaning apparatus), telephones, communication systems (including satellite dishes and antennae), televisions, computers, sprinkler systems and other fire prevention and extinguishing apparatus and materials, security systems, motors, engines, machinery, pipes, pumps, tanks, conduits, appliances, fittings and fixtures of every kind and description (all of the items listed in this paragraph (iv) being hereinafter referred to as the "Equipment");

(v) all right, title and interest of Mortgagor in and to all substitutes and replacements of, and all additions and improvements to, the Real Estate and the Equipment, subsequently acquired by or released to Mortgagor or constructed, assembled or placed by Mortgagor on the Real Estate, immediately upon such acquisition, release, construction, assembling or placement, including, without limitation, any and all building materials, whether stored at the Real Estate or offsite, and, in each such case, without any further deed, conveyance, assignment or other act by Mortgagor;

(vi) all right, title and interest of Mortgagor in, to and under all leases, subleases, underlettings, railroad siding agreements, concession agreements, royalty leases, management agreements, licenses and other agreements relating to the use or occupancy of the Real Estate or the Equipment or any part thereof, whether now existing or subsequently entered into by Mortgagor and whether written or oral, and all guarantees of any of the foregoing (collectively, as any of the foregoing may be amended, restated, extended, renewed or modified from time to time, the "Leases"), and all rights of Mortgagor in respect of cash and securities deposited thereunder and the right to receive and collect the revenues, income, rents, issues and profits thereof or therefrom, together with all other rents, royalties, issues, profits, revenue, income and other benefits arising from the use and enjoyment of the Mortgaged Property (as defined below) (collectively, the "Rents");

(vii) all unearned premiums under insurance policies now or subsequently obtained by Mortgagor relating to the Real Estate or the Equipment and Mortgagor's interest in and to all proceeds of any such insurance policies (including title insurance policies) including the right to collect and receive such proceeds, subject to the provisions relating to insurance generally set forth below or as otherwise expressly set forth in the Credit Agreement, and all awards and other compensation, including the interest payable thereon and the right to collect and receive the same, made to the present or any subsequent owner of the Real Estate or the Equipment for the taking by eminent domain, condemnation or otherwise, of all or any part of the Real Estate or any easement or other right therein;

(viii) to the extent not prohibited by the applicable instrument or as permitted by the consent of all parties whose consent is required, all right, title and interest of Mortgagor under each contract, consent, license or other item related to the Real Estate or the Equipment, including, without limitation, (i) all contracts from time to time executed by Mortgagor or any manager or agent on its behalf relating to the ownership, construction, maintenance, repair, operation, occupancy, sale or financing of the Real Estate or the Equipment, or any part thereof, and all agreements and options relating to the purchase, use or lease of any portion of the Real Estate, any property which is adjacent or peripheral to the Real Estate, or the Equipment, (ii) all consents, licenses, building permits, certificates of occupancy and other governmental approvals issued from time to time in connection with the construction, completion, occupancy, use or operation of the Real Estate, or any part thereof, and (iii) all drawings, plans, specifications and other similar or related items prepared from time to time in connection with the Real Estate;

(ix) all present and future alley, drainage, crop, mineral, mining, coal, water, sand, oil and gas rights of Mortgagor with respect to the Real Estate, and any other rights to

produce or share in the production of anything derived or extracted from the Real Estate, together with any and all licenses, privileges, royalties and appurtenances relating to the Real Estate; and

(x) all proceeds, both cash and noncash, of the foregoing.

(All of the foregoing property, rights and interests now owned or held or subsequently acquired by Mortgagor shall hereinafter be collectively referred to as the "Mortgaged Property").

TO HAVE AND TO HOLD the above described Mortgaged Property and the rights and privileges hereby mortgaged unto and to the use and benefit of Mortgagee (and Mortgagee's successors, assigns and substitutes), together with all the hereditaments and appurtenances thereunto belonging or in any ways appertaining unto the Mortgaged Property, subject only to the Permitted Liens, until all of the obligations evidenced by the Credit Agreement and the other Loan Documents have been satisfied in full and the Credit Agreement shall have been terminated, and Mortgagor does hereby bind itself and its successors and assigns to WARRANT AND FOREVER DEFEND the title to the Mortgaged Property unto Mortgagee against every person lawfully claiming the same or any part thereof.

THIS MORTGAGE SECURES TO MORTGAGEE, subject to Section 35, (a) the full payment to Mortgagee of the Obligations and any and all other amounts due and owing by Mortgagor to Mortgagee under this Mortgage, the Subsidiary Guaranty, the Credit Agreement or any of the other Loan Documents, and (b) the complete performance of all of the Obligations and any and all other covenants set forth in this Mortgage, the Subsidiary Guaranty, the Credit Agreement or any of the other Loan Documents.

Without limiting the generality of the foregoing, this Mortgage shall secure all present and future advances and re-advances made by Mortgagee for the benefit of Mortgagor under the Credit Agreement, and the lien of all such future advances and re-advances shall relate back to the date of this Mortgage.

Terms and Conditions

Mortgagor further represents, warrants, covenants and agrees with and for the benefit of Mortgagee as follows:

1. Warranty of Title. Mortgagor warrants that it has good record title in fee simple to the Real Estate, and good title to the rest of the Mortgaged Property, subject only to the Permitted Liens. Mortgagor shall warrant, defend and preserve such title and the lien of this Mortgage against all claims of all persons and entities. Mortgagor represents and warrants that it has the lawful authority to grant, bargain, sell, assign, transfer, mortgage and convey a first-priority lien and security interest in all of the Mortgaged Property to Mortgagee in the manner and form herein provided and without obtaining the authorization, approval, consent or waiver of any grantor, lessor, sublessor, Governmental Authority or other Person, subject only to the Permitted Liens.

2. Payment of Obligations. Mortgagor shall pay and perform the Obligations at the times and places and in the manner specified in the Loan Documents.

3. Compliance with Legal Requirements. Mortgagor shall promptly comply with all legal requirements applicable to the Mortgaged Property, and all covenants, restrictions and conditions now or later of record which may be applicable to any of the Mortgaged Property, or to the use, manner of use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction of any of the Mortgaged Property, except where a failure to do so could not reasonably be expected to result in a Material Adverse Change.

4. Payment of Taxes and Other Impositions.

(a) Promptly when due or prior to the date on which any fine, penalty, interest or cost may be added thereto or imposed, Mortgagor shall pay and discharge all taxes, charges and assessments of every kind and nature, all charges for any easement or agreement maintained for the benefit of any of the Real Estate, all general and special assessments, levies, permits, inspection and license fees, all water and sewer rents and charges, vault taxes and all other public charges, even if unforeseen or extraordinary, which may be imposed upon or assessed against or which may become a lien on any of the Real Estate, or arising in respect of the occupancy, use, operation or possession thereof, together with any penalties or interest on any of the foregoing (all of the foregoing being hereinafter collectively referred to herein as the "Impositions"), except where (i) the validity or amount thereof is being contested in good faith by appropriate proceedings, if such proceedings, in Mortgagee's good faith judgment, will operate to suspend the obligation to pay the applicable Imposition(s) and if the non-payment of such Imposition(s) will not result in the forfeiture, sale, loss or diminution of any interest of Mortgagor (or Mortgagee) in the Mortgaged Property and the Mortgagor has set aside on its books adequate reserves with respect thereto in accordance with sound real estate accounting principles consistently applied, which reserves shall include reasonable additional sums to cover possible interest, costs and penalties, or (ii) the failure to make and such payment shall not be reasonably likely to result in a Material Adverse Change; provided, however, that Mortgagor shall promptly cause to be paid any amount adjudged by a court of competent jurisdiction to be due, together with all interest, costs and penalties thereon, promptly after such judgment becomes final. Subject to Mortgagee's rights and remedies during the pendency of an Event of Default and except as otherwise provided in the Credit Agreement, Mortgagor shall not be required to make any such payment to the extent that funds have been reserved specifically for such liability and are on deposit in accounts controlled by, and are available to, Mortgagee to fund such payment. In all events, Impositions, together with all interest, costs and penalties related thereto, shall be paid prior to the date on which any writ or order is issued under which the Mortgaged Property may be sold, lost or forfeited. Upon request by Mortgagee, Mortgagor shall deliver to Mortgagee evidence reasonably acceptable to Mortgagee showing the payment of any such Imposition made by Mortgagor.

(b) Nothing herein shall affect any right or remedy of Mortgagee, under this Mortgage or otherwise, to pay any Imposition after the date on which such Imposition shall have become due, without notice or demand to Mortgagor, and to add to the Obligations the amount so paid, together with interest thereon at the Default Rate. Any sums paid by Mortgagee on account of any such Impositions shall be (i) secured by this Mortgage, and (ii) payable on demand by Mortgagor to Mortgagee, together with interest thereon at the Default Rate.

(c) Mortgagor represents and warrants that Mortgagor (i) has, subject to the terms and provisions of the Credit Agreement, filed all federal, state, commonwealth, county,

municipal and city income and other material tax returns required to have been filed by it and has paid all taxes and other impositions which have become due or pursuant to any assessments or charges received by it, (ii) does not know of any basis for any additional assessment or charge in respect of any such taxes or other Impositions, and (iii) has paid in full all sums owing or claimed for labor, material, supplies, personal property (whether or not forming an Improvement hereunder) and services of every kind and character used, furnished or installed in or on the Mortgaged Property that are now due and owing and no claim for same exists or will be permitted to be created, except such claims as may arise in the ordinary course of business and that are not yet past due.

5. Insurance.

(a) Mortgagor shall maintain, with financially sound and reputable companies, insurance policies (i) insuring the Real Estate against loss by fire, explosion, theft and such other casualties and risks as are included in a standard "extended coverage" form and "special form" (formerly known as an "all risk" endorsement policy) policy and as may be otherwise reasonably satisfactory to Mortgagee, in an amount equal to the full replacement cost of the Improvements, without deduction for physical depreciation and in an amount sufficient to prevent Mortgagor from being deemed a co-insurer, and (ii) insuring Mortgagor and Mortgagee against liability for personal injury and property damage relating to such Real Estate, such policies to be in such form and amounts and having such coverage as may be reasonably satisfactory to Mortgagee. Without limiting the generality of the foregoing, all such insurance shall (A) provide that no cancellation, material reduction in amount or material change in coverage thereof shall be effective until at least thirty (30) days after receipt by the Mortgagee of written notice thereof, (B) name Mortgagee as an additional insured party or loss payee, (C) include deductibles reasonably satisfactory to Mortgagee, and (D) contain a standard, non-contributory Mortgagee clause naming Mortgagee and its successors and assigns as an additional insured.

(b) If any portion of the Premises is located in an area identified as a special flood hazard area by the Federal Emergency Management Agency or other applicable agency, Mortgagor shall maintain or cause to be maintained flood insurance in an amount reasonably satisfactory to Mortgagee, but in no event less than the maximum limit of coverage available under the National Flood Insurance Act of 1968, as amended.

(c) Mortgagor shall promptly comply with and conform in all material respects to (i) all provisions of each such insurance policy, and (ii) all requirements of the insurers applicable to Mortgagor or to any of the Mortgaged Property or to the use, manner of use, occupancy, possession, operation, maintenance, alteration or repair of any of the Mortgaged Property. Mortgagor shall not use or permit the use of the Mortgaged Property in any manner which would permit any insurer to cancel any insurance policy or void any coverage required to be maintained by this Mortgage.

(d) If Mortgagor is in default of its obligations to insure or deliver any such prepaid policy or policies beyond any applicable notice and cure period, then Mortgagee, at its option upon five (5) days' notice to Mortgagor (unless, in Mortgagee's judgment, in its sole discretion, Mortgagee's security would be compromised by the need to provide such notice), may effect such insurance from year to year, and pay the premium or premiums therefor, and

Mortgagor shall pay to Mortgagee on demand such premium or premiums so paid by Mortgagee, together with interest thereon at the Default Rate.

(e) If the Mortgaged Property, or any part thereof, shall be destroyed or damaged, all insurance proceeds shall be handled in the manner set forth in the Credit Agreement.

(f) In the event of a foreclosure of this Mortgage or any other transfer of title to the Mortgaged Property, all right, title and interest of Mortgagor in and to any insurance policies then in effect with respect to the Mortgaged Property shall be deemed to have been assigned to Mortgagor's successor-in-title with respect to the Mortgaged Property.

(g) In applying the provisions of Section 31 hereof, the terms and provisions of this Section 5 shall be deemed to supplement, and not conflict with, the terms and provisions of the Credit Agreement which relate to insurance.

6. No Further Encumbrances. Except as expressly permitted by the Credit Agreement and except for the lien of this Mortgage and the Permitted Liens, Mortgagor shall not further mortgage or otherwise encumber the Mortgaged Property nor create or suffer to exist any lien, charge or encumbrance on the Mortgaged Property, or any part thereof, whether superior or subordinate to the lien of this Mortgage and whether recourse or non-recourse. In no event shall Mortgagor permit any Permitted Lien to encumber the Mortgaged Property with a priority superior to the lien of this Mortgage.

7. Transfer Restrictions. Except as expressly permitted by the Credit Agreement, Mortgagor shall not Transfer all or any portion of, or any interest in, the Mortgaged Property.

8. Condemnation/Eminent Domain Proceeds; Casualty Losses. Immediately upon obtaining knowledge of the institution of any proceedings for the condemnation of the Mortgaged Property, or any material portion thereof, Mortgagor will notify Mortgagee of the pendency of such proceedings. All awards and proceeds relating to such condemnation shall be handled in the manner set forth in the Credit Agreement. In all events, Mortgagor hereby covenants and agrees to promptly commence and to diligently prosecute the restoration of the Mortgaged Property upon the occurrence of any casualty loss affecting the Mortgaged Property, without regard to the availability or sufficiency of any proceeds or award, but in all events in a manner approved by Mortgagee; provided, however, that so long as (i) no Event of Default shall have occurred and be continuing, and (ii) Mortgagee is satisfied that the insurance proceeds to be paid in connection with such casualty will be sufficient to fully fund the restoration of the Mortgaged Property in a manner satisfactory to Mortgagee, Mortgagee shall make such proceeds available to Mortgagor in connection with such restoration, subject to all customary and reasonable requirements of Mortgagee relating to the disbursement of such proceeds. Notwithstanding any damage to, destruction or loss of or other casualty with respect to any of the Mortgaged Property, Mortgagor shall continue to pay the Obligations at the time and in the manner provided for in the Credit Agreement and the other Loan Documents, until all of the obligations evidenced by the Credit Agreement and the other Loan Documents have been satisfied in full. If the Mortgaged Property is sold, through foreclosure or otherwise, prior to the receipt by Mortgagee of such insurance proceeds, Mortgagee shall have the right, whether or not a deficiency judgment on any Loan Document shall have been sought, recovered or denied, to

receive such insurance proceeds, or a portion thereof sufficient to pay the then unpaid Obligations, whichever is less.

9. Leases. Without the prior written consent of Mortgagee, Mortgagor shall not (a) execute any assignment or pledge of any Lease relating to all or any portion of the Mortgaged Property other than in favor of Mortgagee, (b) execute or permit to exist any Lease of any of the Mortgaged Property, or (c) mortgage, pledge, assign, hypothecate, amend, modify or otherwise encumber or transfer all or any portion of any Lease or any interest therein.

10. Further Assurances. To further assure Mortgagee's rights under this Mortgage, Mortgagor agrees promptly upon demand of Mortgagee to do any act or execute, deliver, record and/or file any additional documents which may be reasonably required by Mortgagee to confirm the lien of this Mortgage and all other rights or benefits conferred on Mortgagee by this Mortgage.

11. Mortgagee's Right to Perform. If Mortgagor fails to perform any of the covenants or agreements of Mortgagor within the applicable grace period, if any, provided for in the Credit Agreement, Mortgagee, without waiving or releasing Mortgagor from any obligation or default under this Mortgage, may, at any time (but shall be under no obligation to) pay or perform the same, and the amount or cost thereof, together with interest thereon at the Default Rate, shall immediately upon written demand be due from Mortgagor to Mortgagee and the same shall be secured by this Mortgage and shall be a lien on the Mortgaged Property prior to any right or title to, interest in, or claim upon the Mortgaged Property attaching subsequent to the lien of this Mortgage. No payment or advance of money by Mortgagee under this Section 11 shall be deemed or construed to cure or waive Mortgagor's default or waive or restrict any other right or remedy available to Mortgagee hereunder or under applicable law.

12. Events of Default. The occurrence of an Event of Default under the Credit Agreement shall constitute an "Event of Default" hereunder.

13. Remedies.

(a) Upon the occurrence and during the continuance of any Event of Default, Mortgagee may immediately take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Mortgagor and in and to the Mortgaged Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such manner as Mortgagee, as applicable, may determine, in its sole discretion, without impairing or otherwise affecting any other rights or remedies available to Mortgagee hereunder or under applicable law:

(i) Mortgagee may, to the extent permitted by applicable law and subject to the terms and provisions of the Credit Agreement, (A) institute and maintain an action of foreclosure against all or any part of the Mortgaged Property, (B) institute and maintain an action on the Credit Agreement, the Subsidiary Guaranty or any other Loan Document, (C) sell all or any part of the Mortgaged Property (Mortgagor expressly granting to Mortgagee the power of sale for such purpose), or (D) take such other actions as may be available at law or in equity for the enforcement of this Mortgage or any of the other Loan Documents. Mortgagee may proceed in any such action to final judgment and

execution thereon for all sums due hereunder, together with interest thereon at the Default Rate and all costs of suit, including, without limitation, reasonable attorneys' fees and disbursements. Interest at the Default Rate shall be due on any judgment obtained by Mortgagee from the date of judgment until actual payment is made of the full amount of such judgment; and

(ii) Mortgagee may personally, or by its agents, attorneys and employees and without regard to the adequacy or inadequacy of the Mortgaged Property or any other collateral as security for the Obligations, enter into and upon the Mortgaged Property and each and every part thereof and exclude Mortgagor and its agents and employees therefrom without liability for trespass, damage or otherwise (Mortgagor hereby agreeing to surrender possession of the Mortgaged Property to Mortgagee upon demand at any such time) and use, operate, manage, maintain and control the Mortgaged Property and every part thereof. Following such entry and taking of possession, Mortgagee shall be entitled, inter alia, to (A) lease all or any part of the Mortgaged Property for such periods of time and upon such terms and conditions as Mortgagee may, in its discretion, deem appropriate, (B) enforce, cancel or modify any Lease or other agreement to which Mortgagor is a party, and (C) execute, do and perform any other act, deed, matter or thing concerning the Mortgaged Property which Mortgagee shall deem appropriate and which Mortgagor would otherwise have the right to do for its own account.

(b) In case of a foreclosure sale, the Mortgaged Property may be sold, at Mortgagee's election, in one or more parcels, and Mortgagee is specifically empowered (without being required to do so, and in its sole discretion) to cause successive sales of portions of the Mortgaged Property to be held.

(c) In the event of any breach of any of the covenants, agreements, terms or conditions contained in this Mortgage, Mortgagee shall be entitled to enjoin such breach and obtain specific performance of such covenant, agreement, term or condition and Mortgagee shall have the right to invoke any equitable right or remedy as though other remedies were not provided for in this Mortgage.

(d) It is agreed that if an Event of Default shall occur and be continuing, any and all proceeds of the Mortgaged Property received by Mortgagee shall be held by Mortgagee as collateral security for the Obligations (whether matured or unmatured and whether fixed or contingent), and shall be applied in accordance with the Terms of the Credit Agreement.

14. Appointment of Receiver. If an Event of Default shall have occurred and be continuing, Mortgagee, as a matter of right and without notice to Mortgagor, unless otherwise required by applicable law and/or the Credit Agreement, and without regard to the adequacy or inadequacy of the Mortgaged Property or any other collateral or the interest of Mortgagor therein as security for the Obligations, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers or other manager of the Mortgaged Property, without requiring the posting of a surety bond and without reference to the adequacy or inadequacy of the value of the Mortgaged Property or the solvency or insolvency of Mortgagor or any other party obligated for payment of all or any part of the Obligations, and whether or not waste has occurred with respect to the Mortgaged Property, and Mortgagor hereby irrevocably consents to such

appointment and waives notice of any application therefor (except as may be required by applicable law). Any such receiver or manager shall have all of the usual powers and duties of receivers in like or similar cases and all of the powers and duties of Mortgagee in case of entry, as provided in this Mortgage, including, without limitation, to the extent permitted by law, the right to enter into leases with respect to all or any part of the Mortgaged Property, until the date of confirmation of sale of the Mortgaged Property, unless such receivership is sooner terminated.

15. Security Agreement under Uniform Commercial Code.

(a) It is the intention of the parties hereto that this Mortgage shall also constitute a Security Agreement within the meaning of the Code. If an Event of Default shall occur and be continuing under this Mortgage, then, in addition to having all other rights and remedies available at law or in equity, Mortgagee shall have the option of either (i) proceeding under the Code and exercising such rights and remedies as may be provided to a secured party by the Code with respect to all or any portion of the Mortgaged Property which is personal property (including, without limitation, taking possession of and selling such property), or (ii) treating such property as real property and proceeding with respect to both the real and personal property constituting the Mortgaged Property in accordance with Mortgagee's rights, powers and remedies with respect to the real property (in which event, the default provisions of the Code shall not apply). If Mortgagee shall elect to proceed under the Code, then ten (10) days' notice of sale of the personal property shall be deemed reasonable notice and the reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by Mortgagee shall include, but not be limited to, reasonable attorneys' fees and related expenses. At Mortgagee's request, Mortgagor shall assemble the personal property and make it available to Mortgagee at a reasonable location, as designated by Mortgagee.

(b) Mortgagor and Mortgagee agree, to the extent permitted by applicable law, that (i) all of the goods described, for purposes of this Mortgage, as "Equipment" are or are to become fixtures with respect to the Real Estate; (ii) this Mortgage, upon recording or registration in the real estate records of the proper office(s), shall constitute a financing statement filed as a "fixture filing" within the meaning of Sections 9-102(a)(40) of the Code; (iii) Mortgagor is the sole legal and beneficial owner of the Land; and (iv) the addresses of Mortgagor and Mortgagee are correctly set forth on the first page of this Mortgage.

16. Future Advances and Re-Advances. It is the intention of Mortgagor and Mortgagee that this Mortgage (as renewed and extended from time to time) shall secure future advances and re-advances under the Credit Agreement, in an aggregate principal amount not to exceed Thirty Million and 00/100 Dollars (\$30,000,000.00) outstanding at any one time, and the lien of this Mortgage shall attach upon execution and have priority from the date hereof as to all such advances and re-advances, whether obligatory or discretionary.

17. Assignment of Leases and Rents. Mortgagor hereby assigns the Leases and the Rents (if any) to Mortgagee as further security for the payment and performance of the Obligations, and Mortgagor grants to Mortgagee the right to enter onto the Mortgaged Property for the purpose of collecting the Rents and to let the Mortgaged Property or any part thereof, and to apply the Rents on account of the Obligations. The foregoing assignment and grant is present, irrevocable and absolute and shall continue in effect until the Obligations evidenced by the Credit Agreement and the other Loan Documents have been satisfied in full, but Mortgagee

hereby waives the right to enter onto the Mortgaged Property for the purpose of collecting the Rents, and Mortgagor shall be entitled to collect, receive, use and retain the Rents, until the occurrence of an Event of Default under this Mortgage. Mortgagor's right to collect, receive, use and retain the Rents may be immediately and automatically revoked by Mortgagee, upon written notice to Mortgagor, during the pendency of any Event of Default. In the event that any such notice is given, Mortgagor shall pay over to Mortgagee, or to any receiver appointed to collect the Rents, any lease security deposits, and shall pay monthly in advance to Mortgagee, or to any such receiver, the fair and reasonable rental value (as determined by Mortgagee) for the use and occupancy of such part of the Mortgaged Property as may then be in the possession of Mortgagor or any affiliate of Mortgagor, and upon default in any such payment, Mortgagor or Mortgagor's affiliate will vacate and surrender the possession of the Mortgaged Property to Mortgagee or to such receiver, and in default thereof may be evicted by summary proceedings or otherwise. Mortgagor shall not accept any payment of Rent more than one month in advance of its due date (except for security deposits disclosed in writing to Mortgagee, if any).

18. Mortgagor's Indemnity. MORTGAGOR AGREES TO INDEMNIFY AND HOLD HARMLESS MORTGAGEE AND ALL OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS OF MORTGAGEE FROM AND AGAINST ANY AND ALL LOSSES OR LIABILITIES WHICH ANY SUCH INDEMNITEE MAY INCUR OR SUFFER UNDER OR BY REASON OF ANY ACTION TAKEN OR OMITTED TO BE TAKEN BY MORTGAGEE OR ANY OTHER INDEMNITEE HEREUNDER OR UNDER ANY OTHER LOAN DOCUMENT, INCLUDING, WITHOUT LIMITATION, LOSSES OR LIABILITIES RESULTING FROM ORDINARY NEGLIGENCE ON THE PART OF THE PARTY TO BE SO INDEMNIFIED, BUT EXCLUSIVE OF LOSSES OR LIABILITIES RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE PARTY TO BE SO INDEMNIFIED, AS DETERMINED BY A FINAL JUDGMENT OF A COURT OF COMPETENT JURISDICTION, OR BY REASON OF ANY CLAIM OR DEMAND WHICH MAY BE ASSERTED AGAINST MORTGAGEE OR ANY OTHER INDEMNITEE ON ACCOUNT OF ANY LOAN DOCUMENT OR ANY OF THE LEASES, INCLUDING, WITHOUT LIMITATION, ANY CLAIM BY ANY THIRD PARTY FOR CREDIT ON ACCOUNT OF RENTS PAID TO AND RECEIVED BY MORTGAGOR, BUT NOT DELIVERED TO MORTGAGEE OR ITS AGENTS, REPRESENTATIVES OR EMPLOYEES. IN THE EVENT THAT MORTGAGEE OR ANY OTHER INDEMNITEE INCURS ANY LOSSES OR LIABILITIES COVERED BY THE INDEMNITY SET FORTH IN THIS SECTION 18, THE AMOUNT THEREOF, INCLUDING REASONABLE ATTORNEYS' FEES AND RELATED DISBURSEMENTS, TOGETHER WITH INTEREST THEREON AT THE DEFAULT RATE, SHALL BE PAYABLE BY MORTGAGOR TO MORTGAGEE WITHIN TEN (10) DAYS AFTER DEMAND THEREFOR, AND SHALL BE SECURED BY THE LIEN AND SECURITY INTEREST OF THIS MORTGAGE.

19. No Liability of Mortgagee. Neither the acceptance of this Mortgage by Mortgagee nor the exercise by Mortgagee (or any person acting in the name or on behalf of Mortgagee) of the rights and remedies afforded to Mortgagee hereunder shall be construed to (i) make Mortgagee liable or responsible for the performance of any of the obligations of Mortgagor under or with respect to the Leases or for any Rent, security deposit or other amount delivered to Mortgagor, provided that Mortgagee (or any such person exercising the rights of Mortgagee) shall be accountable for any Rents, security deposits or other amounts actually received by Mortgagee or such person, as the case may be; or (ii) obligate Mortgagee or any such Person to

take any action under or with respect to the Leases or with respect to the Mortgaged Property, to incur any expense or perform or discharge any duty or obligation under or with respect to the Leases or with respect to the Mortgaged Property, to appear in or defend any action or proceeding relating to the Leases or the Mortgaged Property, to constitute Mortgagee as a mortgagee-in-possession (unless Mortgagee actually enters onto and takes actual physical possession of the Mortgaged Property), or to be liable in any way for any injury or damage to persons or property sustained in or about the Mortgaged Property, other than to the extent caused by the willful misconduct or gross negligence of Mortgagee or any person exercising the rights of Mortgagee hereunder.

20. Notices. All notices, requests, demands and other communications required or permitted to be given to Mortgagor and to Mortgagee hereunder shall be given in accordance with the provisions of Section 11 of the Credit Agreement.

21. No Oral Modification. This Mortgage may not be amended, supplemented or otherwise modified except in accordance with the provisions of Section 14.1 of the Credit Agreement. Any agreement made by Mortgagor and Mortgagee after the date of this Mortgage relating to the Obligations or this Mortgage shall be superior to the rights of the holder of any intervening or subordinate lien or encumbrance on the Mortgaged Property.

22. Partial Invalidity; Usury Savings Clause. In the event that any one or more of the provisions contained in this Mortgage shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but each shall be construed as if such invalid, illegal or unenforceable provision had never been included.

23. Mortgagor's Waiver of Rights.

(a) Mortgagor hereby voluntarily and knowingly releases and waives any and all rights to retain possession of the Mortgaged Property after the occurrence of an Event of Default hereunder and any and all rights of redemption from sale under any order or decree of foreclosure (whether full or partial), for itself and on behalf of all persons claiming or having an interest (direct or indirectly) by, through or under Mortgagor and on behalf of each and every person acquiring any interest in the Mortgaged Property subsequent to the date hereof, it being Mortgagor's intent that all such rights of Mortgagor and all such other persons are and shall be deemed to be hereby waived to the fullest extent permitted by applicable law. Mortgagor shall not hinder, delay or impede the execution of any right, power or remedy granted or delegated to the Mortgagee in this Mortgage, and shall not invoke any law to prevent or restrict the exercise of any such right, power or remedy by Mortgagee.

(b) To the fullest extent permitted by applicable law, Mortgagor waives the benefit of all laws now existing or that may subsequently be enacted providing for (i) any appraisal before sale of any portion of the Mortgaged Property, (ii) any extension of the time for the enforcement of the collection of the Obligations or the creation or extension of a period of redemption from any sale made in collecting such debt, or (iii) any exemption of the Mortgaged Property from attachment, levy or sale under execution or exemption from civil process. Mortgagor agrees that Mortgagor shall not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal,

valuation, stay, exemption, extension or redemption, or requiring foreclosure of this Mortgage before exercising any other remedy granted hereunder, and Mortgagor, for itself and its successors and assigns, and for any and all persons ever claiming any interest in the Mortgaged Property, to the fullest extent permitted by applicable law, hereby waives and releases all rights of redemption, valuation, appraisal, stay of execution and marshaling in the event of any exercise by Mortgagee of the foreclosure rights, power of sale or other rights hereby created.

24. Remedies Not Exclusive. Mortgagee shall be entitled to enforce payment and performance of the Obligations and to exercise all rights and powers under this Mortgage or under any of the other Loan Documents or under any laws now or hereafter in force, notwithstanding that some or all of the Obligations may now or hereafter be otherwise secured, whether by Mortgage, mortgage, security agreement, pledge, lien, assignment or otherwise. Neither the acceptance of this Mortgage nor its enforcement shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee, it being agreed that Mortgagee shall be entitled to enforce this Mortgage and any other security now or hereafter held by Mortgagee in such manner and order as Mortgagee may determine in its sole discretion. No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. Every power or remedy given by any of the Loan Documents to Mortgagee or to which Mortgagee may otherwise be entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Mortgagee. In no event shall Mortgagee, in the exercise of any of the remedies provided in this Mortgage (including, without limitation, the appointment of a receiver and the entry of such receiver onto all or any part of the Mortgaged Property), cause Mortgagee to be treated as a "mortgagee in possession" until and unless Mortgagee assumes actual physical possession of the Mortgaged Property, and Mortgagee shall not in any way be liable for any act, either of commission or omission, in connection with the exercise of such remedies, until and unless Mortgagee assumes actual physical possession of the Mortgaged Property.

25. Successors and Assigns. All covenants of Mortgagor contained in this Mortgage are imposed solely and exclusively for the benefit of Mortgagee and its successors and assigns, and no other person or entity shall have standing to require compliance with such covenants or be deemed, under any circumstances, to be a Mortgagee of such covenants, any or all of which may be freely waived in whole or in part by Mortgagee at any time if, in the sole discretion of Mortgagee, such a waiver is deemed advisable. All such covenants of Mortgagor shall run with the Mortgaged Property and be binding upon Mortgagor, the successors and assigns of Mortgagor (and each of them) and all subsequent owners of the Mortgaged Property, and shall inure to the benefit of Mortgagee and its successors and assigns. The word "Mortgagor" shall be construed as if it read "Mortgagors" whenever the sense of this Mortgage so requires, and if there shall be more than one Mortgagor hereunder, the obligations of such Mortgagors shall be joint and several.

26. No Waivers. Any failure by Mortgagee to insist upon the strict performance by Mortgagor of any of the terms and provisions of this Mortgage shall not be deemed to be a waiver of any of the terms and provisions hereof, and Mortgagee, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Mortgagor of any and all of the terms and provisions of this Mortgage to be performed by Mortgagor. Mortgagee

may release, regardless of consideration and without the necessity for any notice to or consent by the holder of any subordinate lien on the Mortgaged Property, any part of the security held for the obligations secured by this Mortgage without, as to the remainder of the security, in any way impairing or affecting the lien of this Mortgage or the priority of such lien over any subordinate lien or Mortgage. Mortgagee may, in Mortgagee's sole discretion, (i) in the case of a Default, determine whether such Default has been cured, and (ii) in the case of an Event of Default, accept or reject any proposed cure of an Event of Default. Unless and until Mortgagee accepts any proposed cure of an Event of Default, such Event of Default shall be deemed to be continuing for purposes of this Mortgage and the other Loan Documents.

27. Governing Law. THIS MORTGAGE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK.

28. Release. In the event this Mortgage is recorded in accordance with the terms and provisions of the Credit Agreement, if any of the Mortgaged Property shall be sold, transferred or otherwise disposed of by Mortgagor in a transaction permitted by the Credit Agreement, then Mortgagee, at the request and sole expense of Mortgagor, shall execute and deliver to Mortgagor all releases or other documents reasonably necessary or desirable for the release of the Liens created hereby on such Mortgaged Property. Mortgagor shall deliver to Mortgagee, at least five (5) Business Days prior to the date of the proposed release, a written request for release describing the sale or other disposition in reasonable detail, including the price to be paid in connection therewith and the expenses to be incurred in connection therewith.

29. Satisfaction of Prior Encumbrance. To the extent that proceeds advanced pursuant to the Credit Agreement are used to pay indebtedness secured by any outstanding Lien, security interest, charge or prior encumbrance against the Mortgaged Property, such proceeds shall be deemed to have been advanced by Mortgagee at Mortgagor's request, and Mortgagee shall be subrogated to any and all rights, security interests and Liens owned by any owner or holder of such outstanding Liens, security interests, charges or encumbrances, irrespective of whether said Liens, security interests, charges or encumbrances are released, and it is expressly understood that, in consideration of the payment of such other indebtedness by Mortgagee, Mortgagor hereby waives and releases all demands and causes of action for offsets and payments to, upon and in connection with such indebtedness.

30. Inconsistency with Credit Agreement. To the fullest extent possible, the terms and provisions of the Credit Agreement shall be read together with the terms and provisions of this Mortgage so that the terms and provisions of this Mortgage shall complement, rather than conflict with, the terms and provisions of the Credit Agreement; provided, however, that if any of the terms or provisions of this Mortgage do conflict with any of the terms or provisions of the Credit Agreement, such that it is impractical for those terms or provisions to coexist, the terms or provisions of the Credit Agreement shall govern and control for all purposes; and, provided further, that the inclusion in this Mortgage of supplemental rights or remedies in favor of Mortgagee which are not addressed in the Credit Agreement shall not be deemed to be in conflict with the Credit Agreement and all such supplemental rights or remedies shall be given full force and effect.

31. No Partnership. Nothing contained in this Mortgage is intended to, or shall be construed to, create to any extent or in any manner whatsoever any partnership, joint venture or association between Mortgagor and Mortgagee, or in any way make Mortgagee a co-principal with Mortgagor with respect to the Mortgaged Property.

32. Headings. The section headings in this Mortgage are inserted for convenience of reference only and shall in no way alter, modify or define, or be used in construing, the text of such sections.

33. Defense of Claims. Mortgagor shall promptly notify Mortgagee in writing of the commencement of any legal proceedings affecting Mortgagor's title to the Mortgaged Property or Mortgagee's Lien on or security interest in the Mortgaged Property, or any part thereof, and shall take such actions, employing attorneys agreeable to Mortgagee, as may be necessary to preserve Mortgagor's and Mortgagee's rights affected thereby. If Mortgagor fails or refuses to adequately or vigorously, in the sole but good faith judgment of Mortgagee, defend Mortgagor's or Mortgagee's rights to the Mortgaged Property, Mortgagee may take such action on behalf of and in the name of Mortgagor and at Mortgagor's expense. All costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Mortgagee (or its agents) pursuant to this Section 33 or in connection with the defense by Mortgagee of any claims, demands or litigation relating to Mortgagor, the Mortgaged Property or the transactions contemplated in this Mortgage shall be paid by Mortgagor upon written demand, together with interest thereon at the Default Rate from the date of each such advance made by Mortgagee.

34. Counterparts. This Mortgage may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which, taken together, shall be deemed to constitute one single instrument.

35. Secured Indebtedness. It is understood and agreed that this Mortgage shall secure payment of not only of the Obligations but also any and all substitutions, replacements, renewals and extensions of the Subsidiary Guaranty, any and all indebtedness and obligations arising pursuant to the terms hereof and any and all indebtedness and obligations arising pursuant to the terms of any of the other Loan Documents, all of which indebtedness is equally secured with and has the same priority as any amounts advanced as of the date hereof. It is agreed that any future advances made by Mortgagee from time to time under the Loan Documents and whether or not such advances are obligatory or are made at the option of Mortgagee, or otherwise, made for any purpose and which shall be guaranteed by Mortgagor pursuant to the Subsidiary Guaranty, and all interest accruing thereon, shall be equally secured by this Mortgage and shall have the same priority as all amounts, if any, advanced as of the date hereof and shall be subject to all of the terms and provisions of this Mortgage. Notwithstanding anything contained herein to the contrary, the maximum amount of principal indebtedness secured by this Mortgage at the time of execution hereof or which under any contingency may become secured by this Mortgage at any time hereafter is \$2,232,077.00 in the aggregate, plus accrued interest thereon, any additional advances made by Mortgagee to protect or preserve the Mortgaged Property or the lien or security interest created hereby on the Mortgaged Property, including, without limitation, reasonable expenses of any litigation to prosecute or defend the rights and liens created by this Mortgage, or for taxes, assessments or insurance premiums or for performance of any of Mortgagor's obligations hereunder or under the other Loan Documents or for any other purpose provided herein or in the other Loan Documents and any amount, costs or charges to which

Mortgagee becomes subrogated, upon payment, whether under recognized principles of law or equity, or under express statutory authority.

36. Restriction on Leasing. Reference is hereby made to Section 291-f of the Real Property Law of the State of New York for purposes of obtaining for Mortgagee the benefit of said Section in connection with this Mortgage.

37. Construction of Covenants. All covenants hereof shall be construed as affording to Mortgagee rights additional to and not exclusive of the rights conferred under the provisions of Sections 254 and 273 of the Real Property Law of the State of New York, or any other applicable law. The provisions of this Mortgage shall be in addition to the provisions set forth in Section 254 of the Real Property Law of the State of New York and in the event of any inconsistency between this Mortgage and such Section 254, the provisions of this Mortgage shall control and supersede the inconsistent provisions of the statute.

38. Lien Law. Mortgagor, in compliance with Section 13 of the Lien Law of the State of New York, will receive the advances secured by this Mortgage, and will hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of any improvement and will apply the same first to the payment of the cost of any improvement before using any part of the total of the same for any other purpose.

39. Premises Not Improved by More than Six Residential Units. This Mortgage does not encumber real property principally improved or to be improved by one or more structures containing in the aggregate not more than six (6) residential dwelling units, each having their own separate cooking facilities.

40. Transfer Taxes. In the event of a sale or other disposition of the Mortgaged Property or an interest in an entity having an interest in the Mortgaged Property, including a sale pursuant to a judgment of foreclosure or a transfer in lieu thereof, or any other transaction with respect to the Premises, which would result in any real estate transfer tax liability, Mortgagor shall fully and accurately complete and execute all forms and documents which Mortgagee may reasonably require, and shall deliver such forms and documents, and subject to Subject to the terms and provisions of Section 3.1(e) of the Credit Agreement, together with the amount of any real estate transfer tax liability that will be due, to Mortgagee at least three (3) days prior to the scheduled date of the sale or other disposition in question. If Mortgagor fails to pay any such tax liability and Mortgagee pays all or any part thereof, the amount of any such payment made by Mortgagee, together with interest thereon at the Default Interest Rate from the date paid by Mortgagee until actually reimbursed by Mortgagor, shall be immediately paid by Mortgagor to Mortgagee on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Obligations. Subject to the terms and provisions of Section 3.1(e) of the Credit Agreement, Mortgagor shall pay when due any and all mortgage recording and other taxes payable or determined to be payable in connection with the execution, delivery, recording or enforcement of this Mortgage and the other Loan Documents, and any interest and penalties thereon. Subject to the terms and provisions of Section 3.1(e) of the Credit Agreement, Mortgagor hereby indemnifies and agrees to hold Mortgagee harmless from and against any and all actual liabilities (including, without limitation, reasonable attorneys' fees and disbursements) with respect to or resulting from any delay in paying or any omission or failure to

pay any taxes described in this Section 40 (including all costs of responding to any audits and any and all penalties and interest imposed).

41. Non-Judicial Foreclosure. Upon the occurrence and during the continuance of an Event of Default hereunder and the acceleration of the indebtedness secured hereby, Mortgagee shall have the right, without limiting any other rights or remedies Mortgagee may have hereunder, under any other Loan Document, or at law or in equity, to sell the Mortgaged Property by non-judicial proceeding for foreclosure by power of sale after publication of notice pursuant to Article 14 of the New York Real Property Actions and Proceedings Law, as the same may be hereafter amended from time to time.

[NO FURTHER TEXT ON THIS PAGE; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage as of the date first set forth above.

MORTGAGOR:

SEDGWICK CONDOS LLC,
a New York limited liability company

By: _____



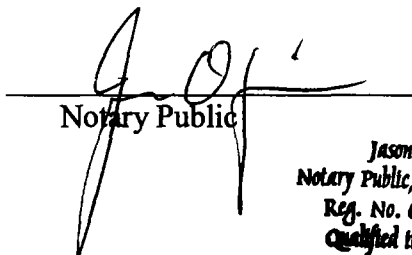
Name: Neil Weissman

Title: Managing Member

ACKNOWLEDGEMENT

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 29th day of September, 2006, before me, the undersigned, personally appeared Neil Weissman, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.


Notary Public

Jason O. Aquino
Notary Public, State of New York
Reg. No. 01AQ6126440
Qualified in Suffolk County
Commission Exp. May 9, 2009

SCHEDULE A

All that certain plot, piece or parcel of land, situate, lying and being in the Borough and County of the Bronx, City and State of New York, known and designated as Lots Nos. 158, 159 and 160 on map entitled "Map of 471 Lots of the Claflin Estates, Property of Mrs. Arthur Claflin and Grange Realty Co. located at West Kingsbridge Road, Sedgwick Avenue, Reservoir Avenue, Webb Avenue, Claflin Avenue and University Avenue, Eames Place, West 195th Street, Strong Street and West 197th Street, Borough of the Bronx, City of New York" made by George C. Hollerith, August 22, 1919 and filed in the office of the Register of Bronx County on September 16, 1919 as Map No. 357, more particularly bounded and described as follows:

BEGINNING at a point on the Easterly sides of Sedgwick Avenue, distant 175 feet and 33.01 of a foot Southerly, as it curves, from the corner formed by the intersection of the Easterly side of Sedgwick Avenue and the Southerly side of West 197th Street;

RUNNING THENCE Easterly, and parallel with the Southerly side of West 197th Street, 139 feet and 11.01 of a foot to a point, which point is distant 175 feet Southerly from the Southerly side of West 197th Street;

THENCE Southerly, at right angles with the last mentioned course, 75 feet;

THENCE Westerly at right angles with the last mentioned course 129 feet and 3.01 of a foot the Easterly side of Sedgwick Avenue;

THENCE Northerly, as measured along the Easterly side of Sedgwick Avenue, 75 feet and 68.01 of a foot to the point or place of **BEGINNING**.

All that certain plot, piece or parcel of land, situate, lying and being in the Borough and County of Bronx, City and State of New York, bounded and described as follows:

BEGINNING at a point on the Easterly side of Sedgwick Avenue distant 261.14 feet Southerly along the same as it curves from the corner formed by the intersection of the said Easterly side of Sedgwick Avenue with the Southerly side of West 197th Street;

RUNNING THENCE Easterly parallel with the Southerly side of West 197th Street 127.40 feet;

THENCE Northerly at right angles to the last course 10 feet to the division line between Lots 161 and 162 on "Map of 471 Lots of the Claflin and Grange Realty Co. located at West Kingsbridge Road, Sedgwick Avenue, Reservoir Avenue, Webb Avenue, Claflin Avenue and University Avenue, Eames Place, West 195th Street, Strong Street and West 197th Street, Borough of Bronx, City of New York" filed in the Register's Office, Bronx County on September 16, 1919 as Map No. 357;

THENCE Westerly along said division line on said map and again parallel with the Southerly side of West 197th Street 129.03 feet to the Easterly side of Sedgwick Avenue;

THENCE Southerly along the Easterly side of Sedgwick Avenue 10.13 feet to the point or place of **BEGINNING**.

SAID premises also known as 2792-2796 Sedgwick Avenue, Bronx, New York

— Premises herein is or will be improved by a
single family dwelling only.
✓ Premises herein is or will be improved by one
structure containing in the aggregate
more than six residential dwelling units
and its own separate cooking facility.
Premises herein is NOT improved as above.

PROPERTY INFORMATION:

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UNSOLD UNITS AT SEDGWICK CONDOMINIUM
2792, 2794 & 2796 SEDGWICK AVENUE, BRONX, NEW YORK

BLOCK 3249 BASE LOT 196 (F/K/A LOTS 196, 199 AND 495)

Base lot

UNIT NO.	LOT NO.
2796-1B	1005
2796-1C	1006
2796-1D	1007
2796-3D	1027
2796-4C	1036
2796-C1	1001
2794-1A	1008
2794-1B	1009
2794-1D	1011
2794-3C	1030
2794-4C	1040
2794-C2	1002
2792-1B	1013
2792-4B	1043
2792-C3	1003
PK-6	1049
PK-7	1050
PK-12	1055
PK-16	1059
PK-18	1061
PK-26	1069
PK-27 & 28	1070 & 1071
PK-29 & 30	1072 & 1073
PK-31 & 32	1074 & 1075

unsold units.