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STATE OF INDIANA
LAKE COUNTY
FILED

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MORTGAGE
RECORDER

Indiana
Store No. 532

This mortgage, assignment of leases, rents and profits, and fixture filing shall be deemed to constitute a continuously perfected fixture filing to be filed of record in the office of the Recorder of Lake County, Indiana pursuant to I.C. 26-1-9-402 and 26-1-9-403 and as set forth in Paragraph 34 hereof.

ATLANTA FRANCHISE DEVELOPMENT COMPANY, LLC, as Borrower

to

FRANCHISE MORTGAGE ACCEPTANCE COMPANY LLC, as Secured Party

Document is
NOT OFFICIAL!
This Document is the property of
MORTGAGE
(Fee)
the Lake County Recorder!

STOP

Dated: Executed on February 19, 1997
Effective as of March 24, 1997

Location: 1409 South Broadway
Gary, IN 46407

RECORD AND RETURN TO:

Franchise Mortgage Acceptance Company LLC
Five Greenwich Office Park
Building 5, 4th Floor
Greenwich, Connecticut 06831
Attention: Ms. Ann Heck

This Mortgage was prepared by:

Thomas J. Infurna, Esq.
Thacher Proffitt & Wood
50 Main Street
White Plains, New York 10606

HOLD FOR FIRST AMERICAN TITLE

FC 19349

CLC
3/69

35.00
DJ
10/ FH

MORTGAGE

THIS MORTGAGE executed on February 19, 1997, effective as of the 24th day of March, 1997, between ATLANTA FRANCHISE DEVELOPMENT COMPANY, LLC, a Delaware limited liability company, having an office at One Peachtree Center, Suite 4320, 303 Peachtree Street, N.E., Atlanta, GA 30308 (hereinafter referred to as Borrower), and FRANCHISE MORTGAGE ACCEPTANCE COMPANY LLC, a California limited liability company, having an office at Five Greenwich Office Park, Building 5, 4th Floor, Greenwich, Connecticut 06831 (hereinafter referred to as Secured Party),

WITNESSETH:

Whereas Borrower is the owner of a fee estate in the premises described in Exhibit A attached hereto (hereinafter referred to as the Premises);

NOW THEREFORE, to secure the payment of certain obligations in the aggregate sum of THREE HUNDRED EIGHTY-NINE THOUSAND and 00/100 Dollars (\$389,000.00), lawful money of the United States of America, to be paid with interest and periodic charges (said obligations, interest, periodic charges and all other sums and any judgment(s) or final decree(s) rendered to collect any money obligations of Borrower to Secured Party and/or enforce the performance or collection of all covenants, agreements, other obligations and liabilities of the Borrower under the Mortgage, Note (as defined below) and Pledge and Security Agreement (as defined below) which may or shall become due hereunder being hereinafter collectively referred to as the Obligations) according to a certain Secured Promissory Note dated the date hereof given by Borrower to Secured Party (hereinafter referred to as the Note), and a certain Pledge and Security Agreement entered into between Borrower and Secured Party (hereinafter referred to as the Security Agreement), Borrower has mortgaged, given, granted, bargained, sold, aliened, enfeoffed, conveyed, confirmed, warranted and assigned, and by these presents does mortgage, warrant, give, grant, bargain, sell, alien, enfeoff, convey, confirm and assign unto Secured Party forever all right, title and interest of Borrower now owned, or hereafter acquired, in and to the following property, rights and interests (such property, rights and interests being hereinafter collectively referred to as the Mortgaged Property):

- (a) the Premises;
- (b) all buildings and improvements now or hereafter located on the Premises (hereinafter referred to as the Improvements);
- (c) all of the estate, right, title, claim or demand of any nature whatsoever of Borrower, either in law or in equity, in possession or expectancy, in and to the Mortgaged Property or any part thereof;
- (d) all easements, rights-of-way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments, and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Mortgaged Property (including, without limitation, any and all development rights, air rights or similar or comparable rights of any nature whatsoever now or hereafter appurtenant to the Premises or now or hereafter transferred to the Premises) and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Premises to the center line thereof;
- (e) all machinery, apparatus, equipment, fittings, fixtures and other property of every kind and nature whatsoever owned by Borrower, or in which Borrower has or shall have an interest, now or hereafter located upon the Mortgaged Property, or appurtenances thereto, or usable in connection with the present or future operation and occupancy of the Mortgaged Property and all building equipment, materials and supplies of any nature whatsoever owned by Borrower, or in which Borrower has or shall have an interest, now or hereafter located upon the Mortgaged Property (hereinafter collectively referred to as the Equipment), and the right, title and interest of Borrower in and to any of the Equipment which may be subject to any security agreements (as defined in the Uniform Commercial Code of the State in which the Premises are located), superior in lien to the lien of this Mortgage;
- (f) all awards or payments, including interest thereon, and the right to receive the same, which may be made with respect to the Mortgaged Property, whether from the exercise of the right of eminent domain (including any transfer made in lieu of the exercise of said right), or for any other injury to or decrease in the value of the Mortgaged Property;

(g) all leases and other agreements affecting the use or occupancy of the Mortgaged Property now or hereafter entered into (hereinafter referred to as the Leases) and the right to receive and apply the rents, issues and profits of the Mortgaged Property (hereinafter referred to as the Rents) to the payment of the Obligations;

(h) all proceeds of and any unearned premiums on any insurance policies (collectively, hereinafter referred to as the Policies) covering the Mortgaged Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Mortgaged Property;

(i) the right, in the name and on behalf of Borrower, to appear in and defend any action or proceeding brought with respect to the Mortgaged Property and to commence any action or proceeding to protect the interest of Secured Party in the Mortgaged Property; and

(j) all proceeds of each of the foregoing.

TO HAVE AND TO HOLD the above granted and described Mortgaged Property unto and to the proper use and benefit of Secured Party, and the successors and assigns of Secured Party, forever;

AND Borrower covenants and agrees with and represents and warrants to Secured Party as follows:

1. Payment of Obligations. Borrower will pay the Obligations at the time and in the manner provided for its payment in the Note, the Security Agreement and in the Mortgage.

2. Warranty of Title. Subject only to those exceptions to title specifically set forth in the title policy issued or to be issued by First American Title Insurance Company to Secured Party and insuring the lien of this Mortgage, Borrower warrants the title to the Premises, the Improvements, the Equipment and the balance of the Mortgaged Property.

3. Insurance. Borrower shall keep the Mortgaged Property insured in accordance with the provisions of the Security Agreement. Sums paid to Secured Party by any insurer may be retained and applied by Secured Party toward payment of the Obligations whether or not then due and payable in such order, priority and proportions as Secured Party in its discretion shall deem proper or, at the discretion of Secured Party, the same may be paid, either in whole or in part, to Borrower for such purposes as Secured Party shall designate. If Secured Party shall receive and retain such insurance proceeds, the lien of this Mortgage shall be reduced only by the amount thereof received and retained by Secured Party and actually applied by Secured Party in reduction of the Obligations.

4. Payment of Taxes, etc. Borrower shall pay all taxes, assessments, water rates, sewer rents, utility charges and other charges, including vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Premises, now or hereafter levied or assessed against the Mortgaged Property (hereinafter referred to as the Taxes) prior to the date upon which any fine, penalty, interest or cost may be added thereto or imposed by law for the nonpayment thereof. Borrower shall deliver to Secured Party, upon request, receipted bills, cancelled checks and other evidence satisfactory to Secured Party evidencing the payment of the Taxes prior to the date upon which any fine, penalty, interest or cost may be added thereto or imposed by law for the nonpayment thereof.

5. Condemnation. Notwithstanding any taking by any public or quasi-public authority through eminent domain or otherwise, Borrower shall continue to pay the Obligations at the time and in the manner provided for its payment in the Note, the Security Agreement and this Mortgage and the Obligations shall not be reduced until any award or payment therefor shall have been actually received and applied by Secured Party to the discharge of the Obligations. Secured Party may apply the entire amount of any such award or payment to the discharge of the Obligations whether or not then due and payable in such order, priority and proportions as Secured Party in its discretion shall deem proper. If the Mortgaged Property is sold, through foreclosure or otherwise, prior to the receipt by Secured Party of such award or payment, Secured Party shall have the right, whether or not a deficiency judgment on the Note shall have been sought, recovered or denied, to receive such award or payment, or a portion thereof sufficient to pay the Obligations, whichever is less. Borrower shall file and prosecute its claim or claims for any such award or payment in good faith and with due diligence and cause the same to be collected and paid over to Secured Party. Borrower hereby irrevocably authorizes and empowers Secured Party, in the name of Borrower or otherwise, to collect and receipt for any such award or payment and to file and prosecute such claim or claims. Although it is hereby expressly agreed that the same shall not be necessary in any event,

Borrower shall, upon demand of Secured Party, make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning any such award or payment to Secured Party, free and clear of any encumbrances of any kind or nature whatsoever.

6. Leases and Rents. Subject to the terms of this paragraph, Secured Party waives the right to enter the Mortgaged Property for the purpose of collecting the Rents, and grants Borrower the right to collect the Rents. Borrower shall hold the Rents, or an amount sufficient to cover the payment of all operating expenses of the Mortgaged Property and to discharge all current sums due on the Obligations, in trust for use in payment of such current operating expenses and current sums due on the Obligations. The right of Borrower to collect the Rents may be revoked by Secured Party upon any default by Borrower under the terms of the Note or this Mortgage by giving notice of such revocation to Borrower. Following such notice Secured Party may retain and apply the Rents toward payment of the Obligations in such order, priority and proportions as Secured Party, in its discretion, shall deem proper, or to the operation, maintenance and repair of the Mortgaged Property, and irrespective of whether Secured Party shall have commenced a foreclosure of this Mortgage or shall have applied or arranged for the appointment of a receiver. Borrower shall not, without the consent of Secured Party, make, or suffer to be made, any Leases or modify or cancel any Leases or accept prepayments of installments of the Rents for a period of more than one (1) month in advance or further assign the whole or any part of the Rents. Borrower shall (a) fulfill or perform each and every provision of the Leases on the part of Borrower to be fulfilled or performed, (b) promptly send copies of all notices of default which Borrower shall send or receive under the Leases to Secured Party, and (c) enforce, short of termination of the Leases, the performance or observance of the provisions thereof by the tenants thereunder. In addition to the rights which Secured Party may have herein, in the event of any default under this Mortgage, Secured Party, at its option, may require Borrower to pay monthly in advance to Secured Party, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Mortgaged Property as may be in possession of Borrower. Upon default in any such payment, Borrower will vacate and surrender possession of the Mortgaged Property to Secured Party, or to such receiver and, in default thereof, Borrower may be evicted by summary proceedings or otherwise. Nothing contained in this paragraph shall be construed as imposing on Secured Party any of the obligations of the lessor under the Leases.

7. Maintenance of the Mortgaged Property. Borrower shall cause the Mortgaged Property to be maintained in good condition and repair and will not commit or suffer to be committed any waste of the Mortgaged Property. The Improvements and the Equipment shall not be removed, demolished or materially altered (except for normal replacement of the Equipment), without the consent of Secured Party. Borrower shall promptly comply with all existing and future governmental laws, orders, ordinances, rules and regulations affecting the Mortgaged Property, or any portion thereof or the use thereof. Borrower shall promptly repair, replace or rebuild all or any part of the Mortgaged Property which may be damaged or destroyed by fire or other property hazard or casualty (including any fire or other property hazard or casualty for which insurance was not obtained or obtainable) or which may be affected by any taking by any public or quasi-public authority through eminent domain or otherwise, and shall complete and pay for, within a reasonable time, any structure at any time in the process of construction or repair on the Premises. If such fire or other property hazard or casualty shall be covered by the Policies, Borrower's obligation to repair, replace or rebuild such portion of the Mortgaged Property shall be contingent upon Secured Party paying Borrower the proceeds of the Policies, or such portion thereof as shall be sufficient to complete such repair, replacement or rebuilding, whichever is less. Borrower will not, without obtaining the prior consent of Secured Party, initiate, join in or consent to any private restrictive covenant, zoning ordinance, or other public or private restrictions, limiting or affecting the uses which may be made of the Mortgaged Property or any part thereof.

8A. Environmental Provisions. For the purposes of this paragraph the following terms shall have the following meanings: (i) the term "Hazardous Material" shall mean any material or substance that, whether by its nature or use, is now or hereafter defined as a hazardous waste, hazardous substance, pollutant or contaminant under any Environmental Requirement, or which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and which is now or hereafter regulated under any Environmental Requirement, or which is or contains petroleum, gasoline, diesel fuel or another petroleum hydrocarbon product, (ii) the term "Environmental Requirements" shall collectively mean all present and future laws, statutes, ordinances, rules, regulations, orders, codes, licenses, permits, decrees, judgments, directives or the equivalent of or by any Governmental Authority and relating to or addressing the protection of the environment or human health, and (iii) the term "Governmental Authority" shall mean the Federal government, or any state or other political subdivision thereof, or any agency, court or body of the Federal government, any state or other political subdivision thereof, exercising executive, legislative, judicial, regulatory or administrative functions. Borrower hereby represents and warrants to Secured Party that to the best of Borrower's knowledge after diligent inquiry (i) no Hazardous Material is currently located at, on, in, under or about the Mortgaged Property, (ii) no Hazardous Material is currently located at, in, on, under or about the Mortgaged Property in a manner which violates any Environmental Requirement, or which requires cleanup or corrective action of any kind under any Environmental Requirement,

(iii) no releasing, emitting, discharging, leaching, dumping or disposing of any Hazardous Material from the Mortgaged Property onto or into any other property or from any other property onto or into the Mortgaged Property has occurred or is occurring in violation of any Environmental Requirement, (iv) no notice of violation, lien, complaint, suit, order or other notice with respect to the Mortgaged Property is presently outstanding under any Environmental Requirement, and (v) the Mortgaged Property and the operation thereof are in full compliance with all Environmental Requirements. Borrower shall comply, and shall cause all tenants or other occupants of the Mortgaged Property to comply, in all respects with all Environmental Requirements, and will not generate, store, handle, process, dispose of or otherwise use, and will not permit any tenant or other occupant of the Mortgaged Property to generate, store, handle, process, dispose of or otherwise use, Hazardous Materials at, in, on, under or about the Mortgaged Property in a manner that could lead or potentially lead to the imposition on Borrower, Secured Party or the Mortgaged Property of any liability or lien of any nature whatsoever under any Environmental Requirement. Borrower shall notify Secured Party promptly in the event of any spill or other release of any Hazardous Material at, in, on, under or about the Mortgaged Property which is required to be reported to a Governmental Authority under any Environmental Requirement, will promptly forward to Secured Party copies of any notices received by Borrower relating to alleged violations of any Environmental Requirement and will promptly pay when due any fine or assessment against Secured Party, Borrower or the Mortgaged Property relating to any Environmental Requirement. If at any time it is determined that the operation or use of the Mortgaged Property violates any applicable Environmental Requirement or that there are Hazardous Materials located at, in, on, under or about the Mortgaged Property which, under any Environmental Requirement, require special handling in collection, storage, treatment or disposal, or any other form of cleanup or corrective action, Borrower shall, within thirty (30) days after receipt of notice thereof from any Governmental Authority or from Secured Party, take, at its sole cost and expense, such actions as may be necessary to fully comply in all respects with all Environmental Requirements, provided, however, that if such compliance cannot reasonably be completed within such thirty (30) day period, Borrower shall commence such necessary action within such thirty (30) day period and shall thereafter diligently and expeditiously proceed to fully comply in all respects and in a timely fashion with all Environmental Requirements. If Borrower fails to timely take, or to diligently and expeditiously proceed to complete in a timely fashion, any such action, Secured Party may, in its sole and absolute discretion, make advances or payments towards the performance or satisfaction of the same, but shall in no event be under any obligation to do so. All sums so advanced or paid by Secured Party (including, without limitation, counsel and consultant fees and expenses, investigation and laboratory fees and expenses, and fines or other penalty payments) and all sums advanced or paid in connection with any judicial or administrative investigation or proceeding relating thereto, will immediately, upon demand, become due and payable from Borrower and shall bear interest at the Default Rate (as hereinafter defined) from the date any such sums are so advanced or paid by Secured Party until the date any such sums are repaid by Borrower to Secured Party. Borrower will execute and deliver, promptly upon request, such instruments as Secured Party may deem useful or necessary to permit Secured Party to take any such action, and such additional notes and mortgages, as Secured Party may require to secure all sums so advanced or paid by Secured Party. If a lien is filed against the Mortgaged Property by any Governmental Authority resulting from the need to expend or the actual expending of monies arising from an action or omission, whether intentional or unintentional, of Borrower or for which Borrower is responsible, resulting in the releasing, spilling, leaking, leaching, pumping, emitting, pouring, emptying or dumping of any Hazardous Material into the waters or onto land located within or without the State where the Mortgaged Property is located, then Borrower will, within thirty (30) days from the date that Borrower is first given notice that such lien has been placed against the Mortgaged Property (or within such shorter period of time as may be specified by Secured Party if such Governmental Authority has commenced steps to cause the Mortgaged Property to be sold pursuant to such lien) either (a) pay the claim and remove the lien, or (b) furnish a cash deposit, bond, or such other security with respect thereto as is satisfactory in all respects to Secured Party and is sufficient to effect a complete discharge of such lien on the Mortgaged Property. Secured Party may, at its option, at intervals of not less than one year, or more frequently if Secured Party reasonably believes that a Hazardous Material or other environmental condition violates or threatens to violate any Environmental Requirement, cause an environmental audit of the Mortgaged Property or portions thereof to be conducted to confirm Borrower's compliance with the provisions of this paragraph, and Borrower shall cooperate in all reasonable ways with Secured Party in connection with any such audit. If such audit discloses that a violation of an Environmental Requirement exists, Borrower shall pay all costs and expenses incurred in connection with such audit, otherwise, the costs and expenses of such audit shall, notwithstanding anything to the contrary set forth in this paragraph, be paid by Secured Party. If this Mortgage is foreclosed, or if the Mortgaged Property is sold pursuant to the provisions of this Mortgage, or if Borrower tenders a deed or assignment in lieu of foreclosure or sale, Borrower shall deliver the Mortgaged Property to the purchaser at foreclosure or sale or to Secured Party, its nominee, or wholly owned subsidiary, as the case may be, in a condition that complies in all respects with all Environmental Requirements. Borrower will defend, indemnify, and hold harmless Secured Party, its employees, agents, officers, and directors, from and against any and all claims, demands, penalties, causes of action, fines, liabilities, settlements, damages, costs, or expenses of whatever kind or nature, known or unknown, foreseen or unforeseen, contingent or otherwise (including, without limitation, counsel and consultant fees and expenses, investigation and laboratory fees and expenses, court costs, and litigation expenses) arising out of, or in any way related to, (i) any breach by Borrower of any of the provisions of

this paragraph, (ii) the presence, disposal, spillage, discharge, emission, leakage, release, or threatened release of any Hazardous Material which is at, in, on, under, about, from or affecting the Mortgaged Property, including, without limitation, any damage or injury resulting from any such Hazardous Material to or affecting the Mortgaged Property or the soil, water, air, vegetation, buildings, personal property, persons or animals located on the Mortgaged Property or on any other property or otherwise, (iii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to any such Hazardous Material, (iv) any lawsuit brought or threatened, settlement reached, or order or directive of or by any Governmental Authority relating to such Hazardous Material, or (v) any violation of any Environmental Requirement. The aforesaid indemnification shall, notwithstanding any exculpatory or other provision of any nature whatsoever to the contrary set forth in the Note, this Mortgage or any other document or instrument now or hereafter executed and delivered in connection with the loan evidenced by the Note and secured by this Mortgage, constitute the personal recourse undertakings, obligations and liabilities of Borrower. The aforesaid indemnification shall not be applicable to any claim, demand, penalty, cause of action, fine, liability, settlement, damage, cost or other expense of any type whatsoever (i) occasioned, arising and caused solely and directly as the result of the gross negligence or willful misconduct of Secured Party, its nominee or wholly owned subsidiary or their respective employees or agents and irrespective of whether occurring prior or subsequent to the date upon which Secured Party, its nominee or wholly owned subsidiary acquires possession of the Mortgaged Property by foreclosure of this Mortgage, a sale of the Mortgaged Property pursuant to the provisions of this Mortgage, acceptance of a deed or assignment in lieu of foreclosure or sale or otherwise, or (ii) occasioned, arising and caused solely and directly as the result of any act of any person or party (other than an act of Borrower, its employees or agents or persons or parties under the control of Borrower, or an act of Secured Party, its nominee or wholly owned subsidiary or their respective employees or agents which does not constitute negligence or willful misconduct, or an act of any Governmental Authority, including, without limitation, any change in any Environmental Requirement) and occurring subsequent to the earlier to occur of (x) the date of payment to Secured Party in cash of the entire Obligations, and (y) the date upon which Secured Party, its nominee or wholly owned subsidiary acquires possession of the Mortgaged Property by foreclosure of this Mortgage, a sale of the Mortgaged Property pursuant to the provisions of this Mortgage, acceptance of a deed or assignment in lieu of foreclosure or sale or otherwise. Except as hereinabove specifically provided to the contrary in this paragraph, the obligations and liabilities of Borrower under this paragraph shall survive and continue in full force and effect and shall not be terminated, discharged or released, in whole or in part, irrespective of whether the Obligations has been paid in full and irrespective of any foreclosure of this Mortgage, sale of the Mortgaged Property pursuant to the provisions of this Mortgage or acceptance by Secured Party, its nominee or wholly owned subsidiary of a deed or assignment in lieu of foreclosure or sale and irrespective of any other fact or circumstance of any nature whatsoever.

8B. Other Environmental Matters. To the best of Borrower's knowledge, after diligent inquiry and investigation, none of the Mortgaged Property is within the definition of the term "property" contained in Section 6 (Ind. Code § 13-7-22.5-6) of the Indiana Responsible Property Transfer Law ("IRPTL") (Ind. Code § 13-7-22.5-5 *et seq.*) and the transaction evidenced by this Mortgage is not subject to the provisions of said act. Borrower shall not allow any of the Mortgaged Property to become subject to or constitute "property" subject to IRPTL.

9. Estoppel Certificates. Borrower, within ten (10) days after request by Secured Party and at its expense, will furnish Secured Party with a statement, duly acknowledged and certified, setting forth the amount of the Obligations and the offsets or defenses thereto, if any.

10. Transfer or Encumbrance of the Mortgaged Property. No part of the Mortgaged Property nor any interest of any nature whatsoever therein nor any interest of any nature whatsoever in Borrower (whether partnership, stock, equity, beneficial, profit, loss or otherwise) shall in any manner be further encumbered, sold, transferred, assigned or conveyed, or permitted to be further encumbered, sold, transferred, assigned or conveyed without the prior consent of Secured Party, which consent in any and all circumstances may be withheld in the sole and absolute discretion of Secured Party. The provisions of the foregoing sentence of this paragraph shall apply to each and every such further encumbrance, sale, transfer, assignment or conveyance, regardless of whether or not Secured Party has consented to, or waived by its action or inaction its rights hereunder with respect to, any such previous further encumbrance, sale, transfer, assignment or conveyance, and irrespective of whether such further encumbrance, sale, transfer, assignment or conveyance is voluntary, by reason of operation of law or is otherwise made.

11. Notice. Any notice, request, demand, statement, authorization, approval or consent made hereunder shall be in writing and shall be sent in the manner specified in the Security Agreement.

12. Sale of Mortgaged Property. If this Mortgage is foreclosed, the Mortgaged Property, or any interest therein, may, at the discretion of Secured Party, be sold in one or more parcels or in several interests or portions and in any order or manner.

13. Changes in Laws Regarding Taxation. In the event of the passage after the date of this Mortgage of any law of the state in which the Premises are located deducting from the value of real property for the purpose of taxation any lien or encumbrance thereon or changing in any way the laws for the taxation of mortgages or debts secured by mortgages for state or local purposes or the manner of the collection of any such taxes, and imposing a tax, either directly or indirectly, on this Mortgage, the Note or the Obligations, Borrower shall, if permitted by law, pay any tax imposed as a result of any such law within the statutory period or within fifteen (15) days after demand by Secured Party, whichever is less, provided, however, that if, in the opinion of the attorneys for Secured Party, Borrower is not permitted by law to pay such taxes, Secured Party shall have the right, at its option, to declare the Obligations due and payable on a date specified in a prior notice to Borrower of not less than thirty (30) days.

14. No Credits on Account of the Obligations. Borrower will not claim or demand or be entitled to any credit or credits on account of the Obligations for any part of the Taxes assessed against the Mortgaged Property or any part thereof and no deduction shall otherwise be made or claimed from the taxable value of the Mortgaged Property, or any part thereof, by reason of this Mortgage or the Obligations.

15. Documentary Stamps. If at any time the United States of America, any state thereof, or any governmental subdivision of any such state, shall require revenue or other stamps to be affixed to the Note or this Mortgage, Borrower will pay for the same, with interest and penalties thereon, if any.

16. Performance of Other Agreements. Borrower shall observe and perform each and every term to be observed or performed by Borrower pursuant to the terms of any agreement or recorded instrument affecting or pertaining to the Mortgaged Property.

17. Events of Defaults. The Obligations shall become due at the option of Secured Party upon the occurrence of any one or more of the following events (herein collectively referred to as Events of Default):

- (a) if an Event of Default, as defined in the Security Agreement, shall occur;
- (b) if Borrower shall fail to pay within twenty (20) days of notice and demand by Secured Party, any installment of any assessment against the Mortgaged Property for local improvements heretofore or hereafter laid, which assessment is or may become payable in annual or periodic installments and is or may become a lien on the Mortgaged Property, notwithstanding the fact that such installment may not be due and payable at the time of such notice and demand;
- (c) if without the consent of Secured Party any Leases are made, cancelled or modified or if any portion of the Rents is paid for a period of more than one (1) month in advance or if any of the Rents are further assigned;
- (d) if Borrower or other person shall be in default under any mortgage or deed of trust covering any part of the Mortgaged Property whether superior or inferior in lien to this Mortgage, and including, without limitation, any such mortgage or deed of trust now or hereafter held by Secured Party; or
- (e) if the Mortgaged Property shall become subject (i) to any tax lien, other than a lien for local real estate taxes and assessments not due and payable, or (ii) to any lis pendens, notice of pendency, stop order, notice of intention to file mechanic's or materialman's lien, mechanic's or materialman's lien or other lien of any nature whatsoever and the same shall not either be discharged of record or in the alternative insured over to the satisfaction of Secured Party by the title company insuring the lien of this Mortgage within a period of thirty (30) days after the same is filed or recorded, and irrespective of whether the same is superior or subordinate in lien or other priority to the lien of this Mortgage and irrespective of whether the same constitutes a perfected or inchoate lien or encumbrance on the Mortgaged Property or is only a matter of record or notice; or
- (f) if an Event of Default shall occur under any mortgage or deed of trust now or hereafter entered into by Borrower or an affiliate of Borrower.

18. Right to Cure Defaults. If default in the performance of any of the covenants of Borrower herein occurs, Secured Party may, at its discretion, remedy the same and for such purpose shall have the right to enter upon the Mortgaged Property or any portion thereof without thereby becoming liable to Borrower or any person in possession thereof holding under Borrower. If Secured Party shall remedy such a default or appear in, defend, or bring any action or proceeding to protect its interest in the Mortgaged Property

or to foreclose this Mortgage or collect the Obligations, the costs and expenses thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this paragraph, shall be paid by Borrower to Secured Party upon demand and shall constitute part of the Obligations secured by this Mortgage. All such costs and expenses incurred by Secured Party in remedying such default or in appearing in, defending, or bringing any such action or proceeding shall be paid by Borrower to Secured Party upon demand, with interest accruing at the Default Rate, as defined in the Security Agreement.

19. Appointment of Receiver. Secured Party, in any action to foreclose this Mortgage or upon the actual or threatened waste to any part of the Mortgaged Property or upon the occurrence of any default hereunder, shall be at liberty, without notice, to apply for the appointment of a receiver of the Rents, and shall be entitled to the appointment of such receiver as a matter of right, without regard to the value of the Mortgaged Property as security for the Obligations, or the solvency or insolvency of any person then liable for the payment of the Obligations.

20. Non-Waiver. The failure of Secured Party to insist upon strict performance of any term of this Mortgage shall not be deemed to be a waiver of any term of this Mortgage. Borrower shall not be relieved of Borrower's obligation to pay the Obligations at the time and in the manner provided for its payment in the Note, the Security Agreement and this Mortgage by reason of (i) failure of Secured Party to comply with any request of Borrower to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof or of the Note or any other mortgage, instrument or document evidencing, securing or guaranteeing payment of the Obligations or any portion thereof, (ii) the release, regardless of consideration, of the whole or any part of the Mortgaged Property or any other security for the Obligations, or (iii) any agreement or stipulation between Secured Party and any subsequent owner or owners of the Mortgaged Property or other person extending the time of payment or otherwise modifying or supplementing the terms of the Note, the Security Agreement, this Mortgage or any other mortgage, instrument or document evidencing, securing or guaranteeing payment of the Obligations or any portion thereof, without first having obtained the consent of Borrower, and in the latter event, Borrower shall continue to be obligated to pay the Obligations at the time and in the manner provided in the Note, the Security Agreement and this Mortgage, as so extended, modified and supplemented, unless expressly released and discharged from such obligation by Secured Party in writing. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien, encumbrance, right, title or interest in or to the Mortgaged Property, Secured Party may release any person at any time liable for the payment of the Obligations or any portion thereof or any part of the security held for the Obligations and may extend the time of payment or otherwise modify the terms of the Note, the Security Agreement or this Mortgage, including, without limitation, a modification of the interest rate payable on the principal balance of the Note, without in any manner impairing or affecting this Mortgage or the lien thereof or the priority of this Mortgage, as so extended and modified, as security for the Obligations over any such subordinate lien, encumbrance, right, title or interest. Secured Party may resort for the payment of the Obligations to any other security held by Secured Party in such order and manner as Secured Party, in its discretion, may elect. Secured Party may take action to recover the Obligations, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Secured Party thereafter to foreclose this Mortgage. Secured Party shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every additional right and remedy now or hereafter afforded by law. The rights of Secured Party under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Secured Party shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision.

21. Construction. The terms of this Mortgage shall be construed in accordance with the laws of the state in which the Premises are located.

22. Further Acts, etc. Borrower will, at the cost of Borrower, and without expense to Secured Party, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignments, transfers and assurances as Secured Party shall, from time to time, require for the better assuring, conveying, assigning, transferring and confirming unto Secured Party the property and rights hereby mortgaged or intended now or hereafter so to be, or which Borrower may be or may hereafter become bound to convey or assign to Secured Party, or for carrying out the intention or facilitating the performance of the terms of this Mortgage or for filing, registering or recording this Mortgage and, on demand, will execute and deliver and hereby authorizes Secured Party to execute in the name of Borrower to the extent Secured Party may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments, to evidence more effectively the lien hereof upon the Mortgaged Property.

23. Headings, etc. The headings, titles and captions of various paragraphs of this Mortgage are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

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

25. Sole Discretion of Secured Party. Except as may otherwise be expressly provided to the contrary, wherever pursuant to the Note, this Mortgage, or any other document or instrument now or hereafter executed and delivered in connection therewith or otherwise with respect to the loan secured hereby, Secured Party exercises any right given to it to consent or not consent, or to approve or disapprove, or any arrangement or term is to be satisfactory to Secured Party, the decision of Secured Party to consent or not consent, or to approve or disapprove or to decide that arrangements or terms are satisfactory or not satisfactory, shall be in the sole and absolute discretion of Secured Party and shall be final and conclusive.

26. Authority. Borrower (and the undersigned representative of Borrower, if any) has full power, authority and legal right to execute this Mortgage, and to mortgage, give, grant, bargain, sell, alien, enfeoff, convey, confirm and assign the Mortgaged Property pursuant to the terms hereof and to keep and observe all of the terms of this Mortgage on Borrower's part to be performed.

27. Duplicate Originals. This Mortgage may be executed in any number of duplicate originals and each such duplicate original shall be deemed to constitute but one and the same instrument.

28. Certain Definitions. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Mortgage shall be used interchangeably in singular or plural form and the word "Borrower" shall mean each Borrower and any subsequent owner or owners of the Mortgaged Property or any part thereof or interest therein; the word "Secured Party" shall mean Secured Party or any subsequent holder of the Note; the word "Note" shall mean the Secured Promissory Note or any other evidence of indebtedness secured by this Mortgage; the words "Security Agreement" shall mean the Pledge and Security Agreement; the word "Guarantor" shall mean each person guaranteeing payment of the Obligations or any portion thereof or performance by Borrower of any of the terms of this Mortgage and their respective heirs, executors, administrators, legal representatives, successors and assigns; the word "person" shall include an individual, corporation, partnership, trust, unincorporated association, government, governmental authority, or other entity; the words "Mortgaged Property" shall include any portion of the Mortgaged Property or interest therein; the word "Obligations" shall mean all sums secured by this Mortgage; and the word "default" shall mean the occurrence of any default by Borrower or other person in the observance or performance of any of the terms, covenants or provisions of the Note, the Security Agreement or this Mortgage on the part of Borrower or such other person to be observed or performed without regard to whether such default constitutes or would constitute upon notice or lapse of time, or both, an Event of Default under this Mortgage. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

29. Waiver of Notice. Borrower shall not be entitled to any notices of any nature whatsoever from Secured Party except with respect to matters for which this Mortgage specifically and expressly provides for the giving of notice by Secured Party to Borrower, and Borrower hereby expressly waives the right to receive any notice from Secured Party with respect to any matter for which this Mortgage does not specifically and expressly provide for the giving of notice by Secured Party to Borrower.

30. Waiver of Statutory Rights. Borrower shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws to the full extent that Borrower may do so under applicable law. 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 of this Mortgage and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. Borrower hereby waives

for itself and all who may claim through or under it, and to the full extent Borrower may do so under applicable law, any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage or granted under any statute now existing or hereafter enacted. Anything contained herein or in Ind. Code § 32-8-16-1.5 to the contrary notwithstanding, no waiver made by Borrower in this Paragraph 30 or anywhere else in this Mortgage or in any of the other terms and provisions of the Note and Security Agreement shall constitute the consideration for or be deemed to be a waiver or release by Secured Party or any judgment holder of the Obligations hereby secured of the right to seek a deficiency judgment against the Borrower or any other person or entity who may be personally liable for the Obligations hereby secured, which right to seek a deficiency judgment is hereby reserved, preserved and retained by Secured Party for its own behalf and its successors and assigns.

31. Waiver of Counterclaims. Borrower absolutely, unconditionally and irrevocably waives any and all right to assert any defense, setoff, counterclaim or crossclaim of any nature with respect to this Mortgage or the obligations of Borrower under this Mortgage in any action or proceeding brought by Secured Party to collect the Obligations, or any portion thereof, or to enforce the obligations of the Borrower under this Mortgage.

32. Superior Mortgage. If Borrower fails to pay any installment of principal or interest or any other sum due under any mortgage or other lien superior in lien to the lien of this Mortgage, as the same becomes due and payable, Secured Party may, at its option, pay the same, and Borrower shall upon demand reimburse Secured Party for all sums so expended by Secured Party, with interest at a rate per annum equal to the Default Rate. All such sums expended by Secured Party, with interest, shall be secured by this Mortgage.

33. Security Agreement. Unless specifically provided to the contrary, all of the terms and provisions of the Security Agreement are hereby incorporated and shall become a part of this Mortgage.

34. Fixture Filing. Part of the Mortgaged Property is or may become fixtures. It is intended that, as to such fixtures, this Mortgage shall be effective as a financing statement filed as a fixture filing from the date of the filing of this Mortgage for record with the Recorder of Lake County, Indiana. The information provided in this Paragraph is provided in order that this Mortgage shall comply with the requirements of the Uniform Commercial Code as enacted in the State of Indiana, for a mortgage instrument to be filed as a financing statement. The Borrower is the "Debtor" and its name and mailing address are set forth in the preamble of this Mortgage. The "Secured Party" is the mortgagee and its name and mailing address from which information concerning the security interest granted herein may be obtained are as set forth in the preamble of this Mortgage. A statement describing the portion of the equipment and improvements comprising the fixtures hereby secured is set forth herein.

35. Future Advances. This Mortgage has been granted to Borrower to secure, in addition to those amounts advanced under the Note, pursuant to Indiana Code §32-8-11-9, and without regard to the fact that such future obligations, advances, modifications, extensions or renewals may occur after this Mortgage is executed, future obligations and advances up to SEVEN HUNDRED SEVENTY-EIGHT THOUSAND (\$778,000.00) (whether made as an obligation, made at the option of Secured Party, made after a reduction to a zero (0) or other balance, or made otherwise) to the same extent as if the future obligations and advances were made on the date of execution of this Mortgage and future modifications, extensions and renewals of any indebtedness or obligation secured by this Mortgage.

36. Solvency, Binding Effect and Enforceability. The Borrower is (and, after giving effect to this Mortgage, will be) solvent. This Mortgage is the legal, valid and binding obligation of the Borrower enforceable in accordance with its terms.

IN WITNESS WHEREOF, Borrower has duly executed this Mortgage the day and year first above written.

ATLANTA FRANCHISE DEVELOPMENT COMPANY, LLC
By: E E Urban Management, LLC
Manager

By: 
Name: Dwayne E. Heard
Title: Member



STATE OF NEW YORK)
) SS:
COUNTY OF WESTCHESTER)

Indiana

Before me, a Notary Public in and for said County and State, personally appeared Dwayne E. Heard, a member of E E Urban Management, LLC, a Georgia limited liability company, as manager of Atlanta Franchise Development Company, LLC, a Delaware limited liability company, and acknowledged the execution of the foregoing instrument acting for and on behalf of said limited liability companies, and who, having been duly sworn, stated that any representations therein contained are true and correct.

Witness my hand and Notarial Seal this 19th day of February, 1997.

Document is
NOT OFFICIAL!
This Document is the property of
the Lake County Recorder

Kristine R. Patti
(signature)

My Commission Expires:

12-14-98

Kristine R. Patti
(printed name) Notary Public

Resident of Westchester County

This instrument was prepared by: Thomas J. Infurna, Esq.

KRISTINE R. PATTI
Notary Public, State of New York
No. 01PA5005633
Qualified in Westchester County
Commission Expires Dec. 14, 1998

EXHIBIT A

(Description of Premises)



Exhibit "A"

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LEGAL DESCRIPTION:

LOTS SIXTEEN (16), SEVENTEEN (17), EIGHTEEN (18), NINETEEN (19) AND TWENTY (20) IN BLOCK NUMBER 7 AS MARKED AND LAID DOWN ON THE RECORDED PLAT OF GARY LAND COMPANY'S TENTH SUBDIVISION, IN THE CITY OF GARY, LAKE COUNTY, INDIANA, AS THE SAME APPEARS OF RECORD IN PLAT BOOK 20, PAGE 33, IN THE RECORDER'S OFFICE OF LAKE COUNTY, INDIANA.

