

COMMERCIAL MORTGAGE NOTE
(for use in New Jersey)

Amount: \$ _____
Dated: _____

FOR VALUE RECEIVED, the undersigned KJV Development Corporation (the "Borrower"), with an address at _____, unconditionally promises to pay to the order of Lending, LLC (the "Lender"), at its office located at _____, or at such other place as the Bank may direct, _____ DOLLARS (\$ _____ .00), together with interest at the rate and on the terms provided in this Commercial Mortgage Note (including all renewals, extensions and/or modifications, this "Note"). This Note and all documents executed in connection with this Note are referred to herein collectively as the "Loan Documents."

1. **INTEREST RATE.** The Borrower will pay the Bank interest on the unpaid principal balance at the annual rate set forth below (calculated on the actual number of days elapsed over a 360-day year) from the date of this Note until the entire principal balance has been paid whether or not judgment is obtained. At no time, however, will the interest rate exceed the maximum allowable by law.

_____ % Fixed Rate.

2. **TERM.** This Note matures and all unpaid principal, accrued interest and all other amounts recoverable under the Loan Documents are payable on _____ (the "Maturity Date").

3. **PAYMENTS.** The Borrower will pay interest only by making payments as follows (which payments, will be applied first to any fees, costs, expenses or charges under the Loan Documents, then to the payment of accrued interest): consecutive equal monthly installments of interest in the amount of _____, said amount being based upon a thirty (30) year amortization schedule and the initial interest rate as set forth above. The entire payment of principal shall be due and payable on the maturity date. Payments will be made by the Borrower on the first day of each month beginning _____, until the Maturity Date.

4. **PREPAYMENTS.** The Borrower may prepay this Note, in whole or in part, at any time without any prepayment penalty. This does not exclude any yield maintenance due for early repayment pursuant to such LIBOR based loan and/or the SWAP Agreement; if applicable.

5. **LATE FEE.** If the Lender does not receive the entire amount of any payment required under this Note within 15 days of its due date, the Borrower will pay a late fee of 5% of that entire amount. Any such late charge assessed is immediately due and payable.

6. **MORTGAGE, OTHER COLLATERAL AND GUARANTEES.** Borrower's payment and performance obligations hereunder shall be secured by a first priority mortgage lien on certain real property located generally at _____, (Block __, Lot __), Borough of _____, _____ County, New Jersey _____ (the "Property") and may also be secured by other liens, assignments or security interests in certain property and guaranteed by certain guarantees (any party executing a guarantee being referred to herein as a "Guarantor").

7. **REPRESENTATIONS AND WARRANTIES.** Borrower continually represents and warrants to the Lender that (a) if Borrower or any Guarantor is an entity, it is duly organized and existing and in good standing in the state of its organization, has the power to own its properties and to carry on its business, and the execution, delivery and performance of the Loan Documents have been duly authorized by all necessary action; (b) the execution, delivery, and performance of the Loan Documents by Borrower and any other parties thereto do not require the consent or approval of any other party and do not conflict with, result in a violation of, or constitute a default under any agreement or other instrument binding upon such parties or any law, regulation, court decree, or order applicable to such parties; and © the Loan Documents constitute legal, valid and binding obligations of the parties thereto enforceable in accordance with their respective terms.

8. **AFFIRMATIVE COVENANTS.** Borrower covenants and agrees with the Lender that, at all times any amounts owing to the Lender exist, Borrower shall (a) furnish or cause others to furnish such information (including, without limitation, tax returns and financial information) with respect to Borrower's financial condition and business operations as the Lender may request from time to time and cooperate and join with the Lender in taking all such further actions as the Lender deems necessary to effectuate the provisions of the Loan Documents; (b) permit employees or agents of the Lender full and complete access to any or all of Borrower's properties and financial records, to make extracts from and/or audit such records and to examine and discuss Borrower's properties, business, finances and affairs with Borrower's officers and outside accountants, all at Borrower's expense.

9. **DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note: (a) failure of Borrower to make any payment to the Lender (whether upon the Maturity Date or otherwise) when due hereunder; (b) failure of Borrower to comply with or to perform any term or condition contained in the Loan Documents or the occurrence of any default or "Event of Default" under any other Loan Document; © any representation, warranty, certification, or other information furnished by or on behalf of the Borrower was false or misleading in any material respect when made; (d) the institution of proceedings by or against the Borrower or any Guarantor under any bankruptcy or insolvency law, or any law for the benefit of creditors or relief of debtors, (provided, however, that the institution of involuntary proceedings against the Borrower or any Guarantor will not be an Event of Default if such proceeding is discharged or dismissed within sixty (60) days after the commencement date thereof), or a custodianship, trusteeship, receivership or assignment for the benefit of creditors is imposed upon or sought by the Borrower, any Guarantor or any part of the Property; (e) the existence of any liens for taxes due with respect to the Property unless the liens are being contested in good faith and adequate reserves have been deposited with the Lender, or construction lien claims which have not been dismissed for 30 days or for which escrows, satisfactory in amount to the Lender, have not been established by the Borrower; (f) the default of the Borrower under any other obligation owed to the Lender, or any third party, now existing or arising after the date of this Note; (g) any change in the ownership or control of the Borrower or any Guarantor; (h) the filing, entry or issuance of any judgment, execution, garnishment, attachment, distraint, or lien against Borrower, any Guarantor or any of their property, or the entry of any order enjoining or restraining Borrower and/or restraining or seizing any property of Borrower; (i) the death or dissolution of any Borrower; or (j) any event which, in the Lender's judgment, materially adversely affects (l) the ability of the Borrower to perform any of its obligations under the Loan Documents as

applicable; (ii) the business or financial condition of the Borrower; or (iii) the operations or value of the Property or other collateral or the Lender's lien or security interest on the Property or other collateral.

10. **REMEDIES.** Upon the occurrence of an Event of Default, at Lender's option (with the exception of (d) above, which shall be automatic upon said occurrence), all amounts owing to Lender will become due and payable immediately, without notice of any kind to Borrower, and interest will continue to accrue on the full amount thereof at a rate equal to 2% per annum in excess of the rate of interest otherwise charged hereunder. In addition, the Lender shall have all the rights and remedies provided in the other Loan Documents or available at law, in equity, or otherwise. All of the Lender's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by the Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform any obligation of Borrower shall not affect the Lender's right to declare an Event of Default and to exercise its rights and remedies.

11. **RIGHT OF SETOFF.** Borrower grants to the Lender a contractual possessory security interest in, and hereby assigns, conveys, delivers, pledges, and transfers to the Lender all of Borrower's right, title and interest in and to, Borrower's present and future Lender accounts. Borrower authorizes the Lender to charge or set off all sums owing to the Lender against any and all such accounts and, at the Lender's option, to administratively freeze all such accounts to allow the Lender to protect the Lender's charge and setoff rights provided in this paragraph.

12. **EXPENSES.** Borrower agrees to pay the Lender upon demand all reasonable costs and expenses of collection of this Note (including the fees and expenses of in-house and outside counsel), and any judicial or non-judicial enforcement of the Lender's rights under the Note and other Loan Documents including, without limitation, any court proceeding, Lender's bankruptcy or insolvency case, appeal, or post-judgment collection services. In the absence of proof by the Lender of a greater amount, Borrower agrees that 25% of the outstanding balance of the Note is a reasonable estimation of the Lender's expenses.

13. **GENERAL PROVISIONS.** Borrower waives presentment, demand for payment, protest, notice of dishonor, and notice of default or of an Event of Default. Upon any change in the terms of this Note or any of the other Loan Documents, and unless otherwise expressly stated in writing, Borrower and any Guarantor shall not be released from liability. Borrower agrees that the Lender may renew or extend this Note, or release any party, Guarantor or collateral, or impair, fail to realize upon or perfect the Lender's security interest in any collateral, and take any other action deemed necessary by the Lender without the consent of or notice to anyone.

14. **GOVERNING LAW.** This Note shall be construed according to the laws of the State of New Jersey.

15. **SEVERABILITY.** If any provision of the Loan Documents is found to be invalid or unenforceable, such provision shall be stricken and all remaining provisions of the Loan Documents shall remain valid and enforceable.

16. **WAIVER; AMENDMENTS.** No amendment of the Loan Documents, and no waiver of any one or more of the provisions hereof and thereof, shall be effective unless set forth in a writing prepared by Borrower or Guarantor, whichever is applicable, and signed by the Lender; provided, however, that any such waiver shall be restricted to the matters specified in such writing.

17. **ENTIRE AGREEMENT.** The Loan Documents constitute the sole agreement of the parties regarding the subject matter hereof and thereof and supersede all oral negotiations and prior writings regarding the subject matter hereof and thereof.

18. **WAIVER OF JURY TRIAL; CONSENT TO JURISDICTION; SERVICE OF PROCESS.** BORROWER KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY MATTER RELATING TO, ARISING FROM OR IN CONNECTION WITH THE LOAN DOCUMENTS. BORROWER ALSO CONSENTS TO THE JURISDICTION OF THE COURTS OF THE STATE WHOSE LAWS GOVERN THE LOAN DOCUMENTS AND AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON BORROWER BY MAILING A COPY OF SUCH PROCESS TO BORROWER.

19. **FURTHER ASSURANCES.** Borrower agrees to cooperate and take all necessary steps as reasonably requested by the Lender to carry out the spirit and intent of the Loan Documents, including, without limitation, executing or reexecuting any of the Loan Documents.

20. **SUCCESSORS AND ASSIGNS.** The Loan Documents shall be binding upon Borrower and Borrower's successors and assigns and shall inure to the benefit of the Lender, its successors and assigns. Borrower may not assign or transfer Borrower's rights under the Loan Documents without the prior written consent of the Lender.

IN WITNESS WHEREOF, BORROWER, INTENDING TO BE LEGALLY BOUND, HAS EXECUTED THIS NOTE AS OF THE DATE ABOVE WRITTEN.

ATTEST OR WITNESSED BY:

BORROWER:

KJV Development Corporation or LLC

By: _____

By: _____, Member