

Prepared by: _____
Signature: _____

MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (this "**Mortgage**") made the _____ day of _____, 20____, between _____ and _____, whose address is _____, _____ (individually, collectively, jointly, and severally, "**Mortgagor**"); and U.S. Specialty Insurance Company, whose address is 601 South Figueroa Street, Suite 1600, Los Angeles CA 90017 ("**Mortgagee**");

This Mortgage is for the purpose of securing performance of each agreement of Mortgagor herein contained and securing payment to Mortgagee of (a) all monies due to Mortgagee pursuant to the Bail Bond Application and Agreement and the Indemnitor Application and Agreement, executed and delivered by Mortgagor on or about the date of this Mortgage (individually or collectively, the "**Agreements**"), (b) all losses, damages, attorneys' fees, investigation fees, forfeitures, judgments, court assessments, and liabilities suffered, sustained, or incurred by Mortgagee arising out of or relating to one or more bail bonds posted on behalf of defendant _____ in the amount of \$_____ in the case of _____ v. _____ ("**Action**"), Power Number(s) (if known) _____, and (c) on account of or related to the execution of any other bail bond executed or posted by or for Mortgagee in connection with or related to the Action or Agreements (all of the foregoing items described in clauses (a) through (c) above sometimes referred to collectively in this Mortgage as the "**Obligations**").

In consideration of the foregoing, Mortgagor mortgages to Mortgagee the following (collectively, the "**Mortgaged Premises**");

(a) All those tracts or parcels of land situated in the _____ of _____, of _____ County, State of New Jersey, more particularly described below ("**Premises**");

[Insert description of Premises, including lot and block number and municipality]

(b) All buildings and other structures, now existing or subsequently erected on the Premises ("**Buildings**");

(c) All improvements, fixtures, furnishings, equipment, including without limitation any personal property now owned or subsequently acquired by Mortgagor, which are attached to or used in connection with the Premises or the Buildings ("**Fixtures**"), it being the intention of Mortgagor that all this personal property, now owned or subsequently acquired, shall constitute a part of the realty; this Mortgage being a fixture filing to be filed on record in the real estate records pursuant to N.J.S.A. 12A:9-402 (5) and (6);

(d) All ways, rights, privileges, tenements, and appurtenances belonging or pertaining to the Premises, and the reversion, remainders, rents, issues and profits of the Premises; and

(e) All the estate, right, title, interest, possession, claim, and demand, in law and in equity, which Mortgagor has or may subsequently acquire in, all or any part of the Premises.

To have and to hold the Mortgaged Premises conveyed or intended to be conveyed to Mortgagee, and Mortgagee's successors and assigns to Mortgagee's own use and benefit forever.

This Mortgage is made upon the express condition that if Mortgagor pays to Mortgagee the sum due under the Agreements and in this Mortgage at the time and in the manner the sums are due and payable, and

performs all of the Obligations on its part to be performed under the Agreements and this Mortgage, then this Mortgage and the estate granted in it shall be void.

Mortgagor covenants with Mortgagee as follows:

1. **Obligations.** That Mortgagor shall pay the sums required of Mortgagor under the Agreements, this Mortgage and all other agreements securing the Agreements, all of which sums (including without limitation, all sums expended by Mortgagee on behalf of Mortgagor in accordance with the terms of the Agreements or this Mortgage) shall form a part of the Obligations.

2. **Insurance.** That Mortgagor shall with fully paid Property Insurance, keep the Buildings and the Fixtures insured for replacement against all risks, including without limitation, loss or damage by fire, war damage, building ordinance and terrorism. That this insurance shall be for the benefit of Mortgagee and shall be in the amount of the replacement cost of the Buildings and Fixtures and placed with companies licensed to do business in the State of New Jersey and acceptable to Mortgagee. Mortgagor shall deliver to Mortgagee on the date of this Mortgage, and then annually at least 15 days prior to the expiration date of such insurance, a copy of the original policies of insurance, with Mortgagee named as first mortgagee and loss payee under a noncontributing standard first mortgage clause. Notwithstanding the foregoing, upon the request of Mortgagee, Mortgagor shall deliver to Mortgagee, as collateral security for the Obligations, the original policies of insurance required pursuant to this paragraph. If Mortgagor fails to furnish this insurance, Mortgagee may at its option, but without any obligation to do so, obtain this insurance and pay on behalf of Mortgagee the premiums for it. Mortgagee is authorized at Mortgagee's option, but without any obligation to do so, to collect, adjust, and compromise any loss under the insurance policies and Mortgagor appoints Mortgagee as Mortgagor's attorney-in-fact, coupled with an interest, for effecting the collection, adjustment, or compromise, and to apply the net proceeds, at Mortgagee's option, either as a credit on the Obligations, or to restoring the Mortgaged Premises, or delivery of the net proceeds to the owner of the Mortgaged Premises.

3. **Maintenance.** That the Mortgaged Premises shall be maintained by Mortgagor in good condition, repair, and replacement, and in accordance with law, and that neither the Buildings nor Fixtures shall be removed or demolished without the prior written consent of Mortgagee; and that Mortgagor shall not commit or suffer any act to be done that may impair the security for the Obligations, except that Mortgagor, in accordance with sound practice ordinarily employed by diligent owners of similar real estate, may replace obsolete or outworn items of the Fixtures by similar items of at least the same original value. Upon default of Mortgagor in keeping the Mortgaged Premises in good condition, repair, and replacement, it shall be lawful for Mortgagee to enter upon the Mortgaged Premises and at Mortgagee's option, but without any obligation to do so, to repair and keep the Mortgaged Premises in good repair.

4. **Taxes, Assessments, Water and Sewer Charges.** That Mortgagor shall pay all real estate taxes, assessments, water and sewer charges that are a lien on the Mortgaged Premises, other sums that are a lien against the Mortgaged Premises, and all other sums required under the Agreements and this Mortgage.

5. **Title.** That Mortgagor warrants title to the Mortgaged Premises.

6. **Mortgagor's Default.** That if Mortgagor conveys or transfers all or any part of the Mortgaged Premises, at Mortgagee's option, such act or acts shall be deemed a default by Mortgagor.

7. **Right of Mortgagee on Mortgagor's Default.** That if Mortgagor defaults in the payment, on any day when payable, of any portion of the Obligations subject to cure periods under the Agreements, or defaults under any provision of the Agreements, this Mortgage or any other agreement securing the Agreements, then Mortgagee or its agents shall have the right, but not the obligation, to enter upon and take possession of the Mortgaged Premises; to let the Mortgaged Premises either in Mortgagee's name or the name of Mortgagor; to collect and receive the rents, issues, and profits and to apply them on account of the Obligations, but only after paying all charges and operating expenses affecting the Mortgaged Premises. The term "operating expenses" includes,

without limitation, all unpaid bills at the time of entry; the expense of all actions and proceedings necessary to protect or recover possession of all or any part of the Mortgaged Premises; the expense of leasing and of collecting rents and rental value due or to become due; the expense of maintaining the Mortgaged Premises in good repair and first class condition, and the expense of providing any tenants with services customarily provided; the payment of any unpaid balances due on any security agreements affecting the Mortgaged Premises; the purchase for cash or otherwise, of any replacement of the Mortgaged Premises or of any additions to them; the expense of alterations, additions, or improvements, for the Mortgaged Premises, whether structural or otherwise; and all other expenses connected with the management or operation of the Mortgaged Premises. Provided that if all defaults under this Mortgage are remedied and all charges and expenses incurred by reason of Mortgagor's defaults are paid by Mortgagor, possession of the Mortgaged Premises shall be restored to Mortgagor and Mortgagor shall then again hold the Mortgaged Premises subject to this Mortgage as if Mortgagee had made no entry, but nothing set forth above shall extend to or affect any subsequent default of Mortgagor or impair any right of Mortgagee consequent to any subsequent default.

8. Receiver of Rents, Issues and Profits. That Mortgagee in an action to foreclose this Mortgage shall be entitled, without notice and without regard to the adequacy of any security for the Obligations, to the appointment of a receiver of the rents, issues, and profits of the Mortgaged Premises.

9. Defense and Prosecution Expenses and Attorney's Fees. That if any action or proceeding is commenced (except an action to foreclose this Mortgage or to collect the Obligations) to which Mortgagee is made a party, or in which it becomes necessary to defend or uphold the lien of this Mortgage, all sums paid by Mortgagee for the expense of any litigation to prosecute or defend the rights and lien created by this Mortgage, including reasonable counsel fees, shall be paid by Mortgagor upon demand by Mortgagee. In any action or proceeding to foreclose this Mortgage or to recover or collect the Obligations, the provisions of law respecting recovery of costs, disbursements, allowances, and attorney's fees, shall prevail unaffected by this covenant.

10. No Credit for Payment of Real Estate Taxes. That no owner of the Mortgaged Premises shall be entitled to any credit by reason of the payment of any tax on the Mortgaged Premises.

11. Statement of Amount Due. That Mortgagor shall furnish a statement of the amount due on the Note and this Mortgage, within 10 days after written request from Mortgagee, at no expense to Mortgagee.

12. Updated Appraisal. That upon the occurrence of a default or at any time during which a default continues, as and when requested by Mortgagee, Mortgagor shall, at its sole cost and expense, deliver to Mortgagee, a current appraisal of the Mortgaged Premises, in form and substance satisfactory to Mortgagee in its reasonable discretion, prepared by an appraiser satisfactory to Mortgagee in its reasonable discretion. Such appraisal shall be for the benefit of Mortgagee and shall be the exclusive property of Mortgagee.

13. Option to Pay or Advance. That if Mortgagor fails to pay any sum required of Mortgagor under the Agreements or this Mortgage, then Mortgagee shall have the option, but not the obligation of making such payment, and the amount paid or advanced by Mortgagee shall be a lien on the Mortgaged Premises, added to the amount due on the Obligations secured by this Mortgage and such amounts shall be payable on demand with interest thereon at 10% per annum (but in no event higher than the highest rate allowed by law), accruing from the date such amounts are incurred. Until paid, the amount paid or advanced by Mortgagee shall be prior to any right or interest attaching or accruing to the Mortgaged Premises subsequent to the lien of this Mortgage and shall be secured by this Mortgage.

14. Assignment of Rents, Issues and Profits. Mortgagor, unconditionally and absolutely, assigns to Mortgagee the rents, issues, and profits of the Mortgaged Premises as further security for the payment of the Obligations, and grants to Mortgagee the right to enter upon the Mortgaged Premises for the purpose of collecting them, and to let all or any part of the Mortgaged Premises, and to apply the monies received, after payment of all necessary charges and expenses, to the Obligations, upon default under the Agreements or this Mortgage. Prior to written notice given by Mortgagee to Mortgagor of the occurrence of an event of default, Mortgagor shall have

the privilege to collect and receive all rents and revenues of the Mortgaged Premises as trustee for the benefit of Mortgagee and Mortgagor, and so long as no such event of default has occurred and be continuing, shall be permitted to apply such rents and revenues to the account of the Mortgage or such other legitimate purposes. In the event of any such default, Mortgagor shall pay to Mortgagee, or to any receiver appointed to collect the rents, issues, and profits of the Mortgaged Premises, a fair and reasonable occupation rental for the use and occupation of the Mortgaged Premises by Mortgagor or of such part as may be in the possession of Mortgagor; and on default in payment of such rental, to vacate and surrender possession of the Mortgaged Premises, or that portion occupied by Mortgagor, to Mortgagee or to any receiver appointed.

15. Condemnation. That if all or any part of the Mortgaged Premises are condemned and taken under the power of eminent domain, or if any award for any change of streets affecting the Mortgaged Premises is made, Mortgagor shall have no claim against and all damages and awards for the Mortgaged Premises taken or damaged shall at the option of Mortgagee be paid to Mortgagee and applied to the amount then unpaid on the Obligations, without regard to whether the balance remaining unpaid on the Obligations may then be due Mortgagee is given full power, right, and authority to receive and receipt for such damages and awards and Mortgagor assigns to Mortgagee, all rights of Mortgagor to all damages and awards.

16. Release and Extension of Time. That any part of the Mortgaged Premises may be released by Mortgagee without affecting this Mortgage and the mortgage lien for the remaining Mortgaged Premises; neither the taking of additional security nor the extension of time or all or part of the payment of the Obligations shall release or impair the security of this Mortgage or any personal liability on the Obligations.

17. Tenant at Premises. In the event of a foreclosure, Mortgagee shall have the right to foreclose this Mortgage subject to the rights of any tenants of the Mortgaged Premises. The failure to make any tenants parties defendant to the foreclosure proceedings and to foreclose the rights of any tenant shall not be asserted by Mortgagor as a defense to any proceeding instituted by Mortgagee to collect the Obligations or any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Premises.

18. Act of Default. Mortgagor shall be deemed in default if Mortgagor makes any assignment for the benefit of creditors, or if a receiver is appointed for Mortgagor or any part of the Mortgaged Premises, or if Mortgagor files a petition in bankruptcy or is adjudicated a bankrupt or files any petition or institutes any proceedings under the Federal Bankruptcy Laws of the United States.

19. Modification. Mortgagor and Mortgagee may agree to change the interest rate, due date, or other terms or conditions of the Agreements. If the parties agree to a change, which change is a "modification" as defined in New Jersey P.L. 1985, c.353, and then this Mortgage shall be subject to the priority provisions of the law.

20. Benefit. All covenants, agreements, conditions, and undertakings set forth in this Mortgage shall extend to and be binding upon Mortgagor, and each of them, and all persons claiming by, through, or under Mortgagor, and all covenants shall bind them and each of them, both jointly and severally, and shall inure to the benefit of Mortgagee and its successors and assigns.

21. Notices. All notices, if any, given in connection with this Mortgage shall be in writing and shall be delivered personally or mailed by registered or certified mail, return receipt requested, postage prepaid and addressed as set forth on page 1 of this Mortgage. Mortgagor and Mortgagee may by notice given in the same manner set forth above, designate a different address to which subsequent notices shall be sent. Notice shall be deemed effective when delivered if delivered personally, or when mailed, if delivered by registered or certified mail, return receipt requested.

22. Miscellaneous. In all references in this Mortgage to any parties, persons, or entities, the use of any particular gender or the plural or singular number is intended to include the appropriate gender or number as the

text of this Mortgage may require. Paragraph headings contained in this Mortgage are for reference purposes only and shall not in any way affect the meaning or interpretation of this Mortgage.

Signed, sealed and delivered in the presence of:

WITNESS SIGNATURES

MORTGAGOR (S) SIGNATURE(S)

X _____
Printed Name _____

X _____ LS.
Printed Name _____

X _____
Printed Name _____

X _____ LS.
Printed Name _____

X _____
Printed Name _____

X _____ LS.
Printed Name _____

X _____
Printed Name _____

X _____ LS.
Printed Name _____

STATE OF NEW JERSEY
COUNTY OF: _____

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, personally appeared _____ to me known and known to me to be the person(s) described in and who executed the foregoing instrument and HE SHE THEY acknowledged to me that HE SHE THEY executed the same.

WITNESS my hand and official seal in the County and State last aforesaid this _____ day of _____, 20_____

Notary Public

This Instrument prepared by:
U.S. Specialty Insurance Company
601 South Figueroa Street, Suite 1600
Los Angeles CA 90017