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This instrument was prepared by and, after recording, return to:

STEPHANIE J. HILL
FAEGRE & BENSON LLP
2200 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402
(612) 766-7000

For Recorder's Use Only

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**MORTGAGE AND SECURITY AGREEMENT
COVER SHEET**

Dated as of November 8, 2001

Loan No. 01209

Mortgagor: TrizecHahn 10/120 Fee LLC
(Hereinafter sometimes "Borrower")
Mortgagor's c/o TrizecHahn Office Properties, Inc.
Notice Address: 4600 Sears Tower
233 South Wacker Drive
Chicago, Illinois 60606-6375
Attention: Jeffrey D. Ficht

With copy to: Piper Marbury Rudnick & Wolfe
203 North LaSalle Street, Suite 1800
Chicago, Illinois 60601-1297
Attention: James Beard

Mortgagee: MASSACHUSETTS MUTUAL LIFE INSURANCE
COMPANY, a Massachusetts corporation
(Hereinafter sometimes "Lender")
Mortgagee's c/o David L. Babson & Company, Inc.
Notice Address: 1295 State Street
Springfield, Massachusetts 01111-0001
Attention: Senior Managing Director
Mortgage Portfolio Department
Real Estate Investment Division

Note Amount: \$21,000,000.00
Street Addresses: 10 and 120 South Riverside Plaza
Chicago, Illinois

Permanent Real Estate Tax Index No.: 17161040076001 & 17161040056001
Maturity Date: May 10, 2011 for Note A
December 1, 2002, subject to extension to June 1, 2003 for Note B
State: Illinois

Record Owner of the Land (as defined herein): TrizecHahn 10/120 Fee LLC

BOX 333-CTI

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MORTGAGE AND SECURITY AGREEMENT

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MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (this "Mortgage") is made as of November ____, 2001, by and between TRIZECHAHN 10/120 FEE LLC, a Delaware limited liability company having an office at c/o TrizecHahn Office Properties, Inc., 4600 Sears Tower, 233 South Wacker Drive, Chicago, IL 60606, Attention: Jeffrey D. Echt ("Borrower"), and MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY, a Massachusetts corporation having an office at 1295 State Street, Springfield, Massachusetts 01111-0001 ("Lender").

GRANTING CLAUSES

For good and valuable consideration and to secure the payment of an indebtedness in the principal sum of TWENTY ONE MILLION and NO/100 Dollars (\$21,000,000.00) lawful money of the United States, to be paid according to that certain \$13,000,000 Promissory Note of even date herewith from Borrower to Lender having a maturity date of May 10, 2011 ("Note A") and that certain \$8,000,000 Promissory Note of even date herewith from Borrower to Lender having a maturity date of December 1, 2002 subject to Borrower's right to extend the maturity date to June 1, 2003, subject to and on the terms and provisions of said promissory note ("Note B", with Note A and Note B as either or both of them may hereafter be amended, modified, consolidated or extended called collectively the "Note"), together with all other obligations and liabilities due or to become due to Lender, all amounts, sums and expenses paid hereunder by or payable to Lender according to the terms hereof, and all other covenants, obligations and liabilities of Borrower under the Note, this Mortgage, the Assignment (hereinafter defined) and any other instrument evidencing, securing or executed in connection with the loan evidenced by the Note (all of the foregoing instruments, collectively, the "Loan Documents"), and together with all interest on said indebtedness, obligations, liabilities, amounts, sums, Advances (as hereinafter defined) and expenses (all of the foregoing, collectively, the "Indebtedness"), Borrower has created a security interest in and mortgaged, warranted, granted, bargained, sold, conveyed, assigned, pledged, transferred and set over, and does by these presents create a security interest in and MORTGAGE, WARRANT, GRANT, BARGAIN, SELL, CONVEY, ASSIGN, PLEDGE, TRANSFER AND SET OVER unto Lender, its successors and assigns forever, WITH MORTGAGE COVENANTS and with all STATUTORY RIGHTS AND COVENANTS in the State (hereinafter defined), the following property:

The parcel or parcels of land described in Schedule A attached hereto and by this reference made a part hereof (the "Land");

TOGETHER with all right, title and interest, if any, which Borrower now or hereafter has in and to the buildings, foundations, structures and improvements (including fixtures) now or hereafter located on or in the Land (collectively, the "Improvements"), subject to the terms of the Ground Leases, as defined below;

TOGETHER with all right, title and interest, if any, of Borrower in and to the streets and roads, opened or proposed, abutting the Land, all strips and gores within or adjoining the Land, the air

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space and right to use the air space above the Land, all rights of ingress and egress to and from the Land, all easements, rights of way, reversions, remainders, estates, rights, titles, interests, privileges, servitudes, tenements, hereditaments, and appurtenances now or hereafter affecting the Land or the Improvements, all royalties and rights and privileges appertaining to the use and enjoyment of the Land or the Improvements, including all air, lateral support, streets, alleys, passages, vaults, drainage, water, oil, gas and mineral rights, development rights, all options to purchase or lease, and all other interests, estates or claims, in law or in equity, which Borrower now has or hereafter may acquire in or with respect to the Land or the Improvements (collectively, the "Appurtenances");

The Land, the Improvements and the Appurtenances are hereinafter sometimes collectively referred to as the "Premises";

TOGETHER with all equipment, fittings, furniture, furnishings, appliances, apparatus, and machinery, if any, in which Borrower now or hereafter has a possessory or title interest and now or hereafter installed in or located upon the Premises and all right, title and interest, if any, which Borrower now or hereafter has in and to all building materials, supplies and equipment now or hereafter delivered to the Premises and intended to be installed therein or located thereon; all fixtures, other goods and personal property, if any, of whatever kind and nature now contained on or in or hereafter placed on or in the Premises and used or to be used in connection with the letting or operation thereof, in which Borrower now has or hereafter may acquire a possessory or title interest (but specifically excluding inventory) and all renewals or replacements of any of the foregoing property or articles in substitution thereof (collectively, the "Equipment");

TOGETHER with all right, title and interest of Borrower in and under all present or future accounts, escrows, documents, instruments, chattel paper and general intangibles, as the foregoing terms are defined in the Code (hereinafter defined), and all contract rights, including, without limitation, casualty insurance policies and liability insurance policies (irrespective of whether such policies are required to be obtained or maintained in force pursuant to this Mortgage or other Loan Documents), trade names, trademarks, servicemarks, logos, copyrights, goodwill, franchises, books, records, plans, specifications, permits, licenses, approvals, actions and causes of action which now or hereafter relate to, are derived from or are used in connection with the Premises or the use, operation, maintenance, occupancy or enjoyment thereof or the conduct of any business or activities thereon (collectively, the "Intangibles");

TOGETHER with all right, title and interest of Borrower in and under the Ground Leases and all other leases, lettings, tenancies and licenses of the Premises or any part thereof now or hereafter entered into in which Borrower at any time has an interest and all amendments, extensions, renewals and guaranties thereof, all security therefor, and all moneys payable thereunder (collectively, the "Leases");

TOGETHER with all rents, income, accounts, receivables, issues, profits, security deposits and other benefits to which Borrower may now or hereafter be entitled from the Premises, the Equipment or the Intangibles or under or in connection with the Leases (collectively, the "Property Income"); and

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TOGETHER with all proceeds, judgments, claims, compensation, awards of damages and settlements pertaining to or resulting from or in lieu of any condemnation or taking of the Premises by eminent domain or any casualty loss or damage to any of the Premises, the Equipment, the Intangibles, the Leases or the Property Income, and including also, without limitation, the right to assert, prosecute and settle claims arising out of or pertaining to such condemnation or taking or such casualty loss under insurance policies constituting an Intangible and to apply for and receive payments of proceeds under such insurance policies and in any condemnation or taking, the right to apply for and receive all refunds with respect to the payment of property taxes and assessments and all other proceeds from the conversion, voluntary or involuntary, of the Premises, the Equipment, the Intangibles, the Leases or the Property Income, or any part thereof, into cash or liquidated claims. Collectively, all of the foregoing, are herein referred to as the "Proceeds."

The Equipment, the Intangibles, the Leases, the Property Income and the Proceeds are hereinafter sometimes collectively referred to as the "Collateral." The Premises and the Collateral are hereinafter sometimes collectively referred to as the "Mortgaged Property."

TO HAVE AND TO HOLD the Mortgaged Property, with all the privileges and appurtenances to the same belonging, and with the possession and right of possession thereof, subject to the terms and provisions of this Mortgage, unto Lender and its successors and assigns forever.

ARTICLE I

Definition of Terms

As used in this Mortgage, the terms set forth below shall have the following meanings:

"Advances" - All sums, amounts or expenses advanced or paid and all costs incurred by Lender, as provided in this Mortgage or in any other Loan Document, upon failure of Borrower to pay or perform any obligation or covenant contained herein or in such other Loan Document.

"Affiliate" - Any of (i) any Affiliate as defined in either of the Master Leases or the EOAs, or (ii) any land trusts the beneficial interest in which is owned by Borrower or by any Affiliate as defined in either of the Master Leases or the EOAs.

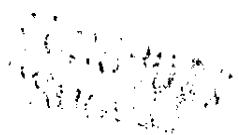
"Appurtenances" - See Granting Clauses.

"Assignment" - The Assignment of Leases and Rents from Borrower to Lender of even date herewith, as the same may be amended or restated from time to time.

"Bankruptcy Proceeding" - Any proceeding, action, petition or filing under the Federal Bankruptcy Code or any similar state or federal law now or hereafter in effect relating to bankruptcy, reorganization or insolvency, or the arrangement or adjustment of debts.

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"Borrower" - The party or parties identified and defined as Mortgagor on the Cover Sheet and in the preamble of this Mortgage, any subsequent owner of the Mortgaged Property, and its or their respective heirs, executors, legal representatives, successors and assigns.

"Borrower Lower Parcel" - Any fee or leasehold interest in the Lower Parcel which is at any time acquired by Borrower.

"Business Day" - Any day other than a Saturday, Sunday or other day on which national banks in the States of Illinois and Massachusetts are not open for business.

"Code" - The Uniform Commercial Code of the State.

"Collateral" - See Granting Clauses.

"Default Rate" - The per annum interest rate equal to the lesser of (i) the highest rate permitted by applicable law as of the date hereof or the date of any Advance hereunder, whichever is higher, to be charged on commercial mortgage loans, or (ii) the sum of three percent (3%) plus the greatest of the Contract Rate then in effect on Note A, the Contract Rate then in effect on Note B or the rate published in *The Wall Street Journal* as the average prime rate in its Money Rates section as of the date of any Advance hereunder. If *The Wall Street Journal* is not in publication on the applicable date, or ceases to publish such average rates, then any other publication acceptable to Lender quoting daily market average prime rates will be used.

"Environmental Law" - Any present or future federal, state or local law, statute, regulation or ordinance, and any judicial or administrative order or judgment thereunder, pertaining to health, industrial hygiene or the environmental or ecological conditions on, under or about the Premises, including, without limitation, each of the following as to date or hereafter amended: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; the Toxic Substances Control Act; the Federal Water Pollution Control Act (also known as the Clean Water Act); the Clean Air Act; and the Hazardous Materials Transportation Act; the Solid Waste Disposal Act; the Safe Drinking Water Act; the Occupational Safety and Health Act; the Federal Water Pollution Control Act; the Emergency Planning and Community Right-To-Know Act; the Federal Insecticide, Fungicide and Rodenticide Act; the National Environmental Policy Act; and, the Rivers and Harbors Appropriation Act.

"EOAs" - The two Easement and Operating Agreements listed on Schedule B.

"Equipment" - See Granting Clauses.

"ERISA" - The Employee Retirement Income Security Act of 1974, as amended.

"Event of Default" - Any one or more of the events described in Section 4.01.

"Fiscal Year" - The 12 month period commencing on January 1 and ending on December 31 during each year of the term of this Mortgage, or such other fiscal year of Borrower as Borrower

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may select from time to time with the prior consent of Lender. During the first year of the term hereof, Borrower's Fiscal Year shall be deemed to have commenced on the date of this Mortgage and shall end on the regular Fiscal Year ending date as indicated in the immediately preceding sentence.

"Ground Leases" - The Master Leases collectively.

"Hazardous Substance" - Any material, waste or substances which is:

- (i) included within the definitions of "hazardous substances," "hazardous materials," "toxic substances" or "solid waste" in or pursuant to any Environmental Law, or subject to regulation under any Environmental Law;
- (ii) listed in the United States Department of Transportation Optional Hazardous Materials Table, 49 C.F.R. §172.101, as to date or hereafter amended, or in the United States Environmental Protection Agency List of Hazardous Substances and Reportable Quantities, 40 C.F.R. Part 302, as to date or hereafter amended; or
- (iii) explosive, radioactive, asbestos, a polychlorinated biphenyl, oil or a petroleum product.

"Impositions" - All taxes of every kind and nature, sewer rents, charges for water, for setting or repairing meters and for all other utilities serving the Premises, and assessments, levies, inspection and license fees and all other charges imposed upon or assessed against the Mortgaged Property or any portion thereof (including the Property income), and any stamp or other taxes which might be required to be paid, or with respect to any of the Loan Documents, any of which might, if unpaid, affect the enforceability of any of the remedies provided in this Mortgage or result in a lien on the Mortgaged Property or any portion thereof, regardless of to whom assessed.

"Indebtedness" - See Granting Clauses.

"Initial THOPI Member" - THOPI or an entity which is 100 percent directly or indirectly owned and controlled by THOPI.

"Intangibles" - See Granting Clauses.

"Land" - See Granting Clauses.

"Late Charge" - Any charge designated as such and payable by Borrower for tardy performance by Borrower under the Note, this Mortgage or any other Loan Document.

"Leases" - See Granting Clauses.

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"Lender" - Massachusetts Mutual Life Insurance Company, the mortgagee identified as such on the Cover Sheet and in the preamble of this Mortgage, and its successors and assigns (including any other holders from time to time of the Note).

"Loan" - The loan evidenced by the Note.

"Loan Documents" - See Granting Clauses.

"Losses" - Claims, suits, liabilities (including without limitation, strict liabilities), actions, proceedings, obligations, debts, damages, losses, costs, fines, penalties, charges, fees, expenses, judgments, awards, amounts paid in settlement, punitive damages, but excluding consequential damages (including but not limited to attorneys' fees and other costs of defense).

"Lower Parcel" - Any Lower Parcel as defined in either of the EOAs.

"Master Leases" - The two Master Leases listed on Schedule B. The term "Master Leases" also includes any and all leases entered into pursuant to Section 41 of a Master Lease.

"Mortgaged Property" - See Granting Clauses.

"Note" - See Granting Clauses.

"Penn Central Space" - All of the parcels defined as Penn Central Parcels in the EOAs.

"Permitted Encumbrances" - The liens and security interest created by this Mortgage and the other Loan Documents and those exceptions to title set forth in the title policies insuring the lien of this Mortgage.

"Premises" - See Granting Clauses.

"Proceeds" - See Granting Clauses.

"Property Income" - See Granting Clauses.

"Release" - Release means and includes the following: the release, deposit, discharge, emission, leaking, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of a Hazardous Substance no matter how or by whom or what caused.

"Remediation" - Remediation means and includes the following: any response, remedial, removal or corrective action, any activity to cleanup, detoxify, decontaminate, contain or otherwise remediate any Hazardous Substance, any actions to prevent, cure or mitigate any Release of a Hazardous Substance, any action to comply with any Environmental Laws or with any permits issued pursuant thereto, any inspection, investigation, study, monitoring, assessment, audit,

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sampling and testing, laboratory or other analysis, or evaluation relating to any Hazardous Substances and to anything referred to in Section 2.20.

"State" - The State or Commonwealth in which the Land is situated.

"THOPI" – See Section 2.17(b).

"Unpermitted Acquisition" - Any acquisition of any of the Penn Central Space which is not permitted by Section 2.25 of this Mortgage.

ARTICLE II Covenants of Borrower

Borrower covenants, warrants, represents and agrees with and to Lender as follows:

Section 2.01. Payment of the Indebtedness. Borrower shall punctually pay the Indebtedness at the times and in the manner provided in the Note and the other Loan Documents, all in lawful money of the United States of America.

Section 2.02. Title to the Mortgaged Property.

- (a) Borrower has fee simple title (or such lesser estate therein as may be specified in Schedule A) to the Premises and good indefeasible title to the balance of the Mortgaged Property, free and clear of liens and encumbrances except Permitted Encumbrances.
- (b) Borrower has full power and lawful authority to encumber the Mortgaged Property in the manner and form herein set forth.
- (c) This Mortgage is and will remain a valid and enforceable lien on and security interest in the Mortgaged Property.
- (d) Borrower will preserve such title (subject to Borrower's rights to transfer title as herein provided) and will forever warrant and defend the same and the validity and priority of the lien hereof to Lender against all claims whatsoever.

Section 2.03. Maintenance of the Mortgaged Property. Borrower shall maintain the Mortgaged Property in good and safe condition, working order and repair, and comply with all existing and future federal, state and local laws, ordinances, rules and regulations and court orders affecting or which may be interpreted as affecting the Mortgaged Property. Borrower shall permit Lender to enter upon and inspect the Mortgaged Property without prior notice at all reasonable hours. Borrower shall not, without the prior consent of Lender, (a) change the use of the Premises or cause or permit the use or occupancy of any part of the Premises to be discontinued if such discontinuance would violate any zoning or other law, ordinance or regulation; (b) consent to any zoning reclassification, modification or restriction affecting the Premises; (c) commit or permit any

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waste, structural or material alteration, demolition or removal of the Mortgaged Property or any portion thereof (provided that the Equipment included within the Collateral may be removed if replaced with similar items of equal or greater value) except as permitted by the Master Leases; or (d) take any steps whatsoever to convert the Mortgaged Property, or any portion thereof, to a condominium or cooperative form of ownership. No provision of this Section 2.03 shall prohibit Borrower from undertaking and completing tenant improvement work authorized under Leases previously approved by Lender or not requiring Lender's prior approval.

Section 2.04. Insurance; Restoration.

- (a) Borrower shall keep the Improvements and the Equipment insured against damage by fire and the other hazards covered by a comprehensive all risk coverage insurance policy in an amount equal to 100% of the full insurable value thereof (which shall mean the full repair and actual replacement value thereof providing for no deductible in excess of \$250,000, without reduction for depreciation or co-insurance) as approved by Lender. Mortgagor shall also maintain and deliver to Mortgage throughout the term of the Loan insurance payable to Lender which provides that, if rent (fixed, percentage or both) abates under a Master Lease pursuant to the provisions in a Master Lease relating to damage or destruction, then for a continuous 24 month period from and after the abatement, Lender shall be paid an amount equal to 50 percent of the debt service on the Note from the date rental abates until it becomes fully payable in accordance with the terms of the Master Lease, and if there is abatement under both Master Leases, the payment shall be 100 percent of debt service on the Note. Borrower shall also carry such other insurance, and in such amounts, as Lender may from time to time reasonably require, against insurable risks which at the time are commonly insured against in the case of premises similarly situated, due regard being given to the availability of insurance and to the type of construction, location, utilities, use and occupancy of the Premises or any replacements or substitutions therefor. Such additional insurance may include workers' compensation, boiler and machinery, flood, earthquake, demolition and contingent liability from the operation of "non-conforming" improvements on the Premises, and shall be obtained within 20 days after demand by Lender. Borrower shall not obtain any umbrella or blanket liability or casualty policy or any separate or additional insurance which is contributing in the event of loss or any other insurance policy not required hereunder. Notwithstanding the foregoing, in the event Borrower obtains an umbrella or a blanket insurance policy or a separate policy or any other insurance policy affecting the Mortgaged Property hereunder, Borrower shall notify Lender of the same and shall cause certified copies of each insurance policy to be delivered as required under Section 2.04(c) below. Any umbrella or blanket insurance policy shall specifically allocate to the Mortgaged Property the amount of coverage from time to time required hereunder and shall otherwise provide the same protection as would a separate policy insuring only the Mortgage Property in compliance with the provisions of Section 2.04(c), giving Lender all of the rights set forth in this Section 2.04. The Proceeds of property insurance paid on account of any damage to or destruction of the Premises or any portion thereof not applied to restoration in accordance with a Master Lease shall, to the extent payable to Borrower, be paid over to Lender to be applied as hereinafter provided.

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- (b) Borrower shall also maintain public liability insurance with respect to the Premises against personal injury, death and property damage, with limits of liability in amounts satisfactory to Lender in its reasonable discretion.
- (c) All insurance policies and endorsements required pursuant to this Mortgage shall (i) be endorsed to name Lender as an insured thereunder, as its interest may appear, with loss payable to Lender, without contribution, under a long-form, non-contributory mortgagee clause, or otherwise endorsed as Lender may reasonably require; (ii) be fully paid for and contain such provisions and expiration dates and be in such form and issued by such insurance companies licensed to do business in the State, with a rating of "A- VIII" or better as established by Best's Rating Guide or an equivalent rating with such other publication of a similar nature as shall be in current use, as shall be approved by Lender; (iii) without limiting the foregoing, provide that such policy or endorsement may not be canceled or materially changed except upon 30 days prior written notice of intention of non-renewal, cancellation or material change to Lender, and that no act or thing done by Borrower or Lender shall invalidate the policy as against Lender; and (iv) be in form and content satisfactory to Lender. Borrower shall deliver all original policies including all endorsements and renewals thereof, or copies thereof certified by the insurance company or authorized agent as being true copies, to Lender together with all endorsements required hereunder, on the date of this Mortgage and thereafter at least 10 days prior to the expiration date of such policies. Borrower may request an extension of time not exceeding 120 days to deliver the foregoing policies, endorsements and renewals or certified copies thereof if Borrower has done all things necessary to obtain the issuance of the policies, endorsements and renewals including, without limitation, the payment of all premiums therefore, and Borrower has delivered to Company within the above 10 day period an insurance binder satisfactory to Company issued by the approved insurer showing all required coverage to be in full force and effect for the succeeding 12 month period along with evidence satisfactory to Company of payment in full of all premiums. If Borrower fails to maintain insurance in compliance with this Mortgage, Lender may (but shall not be obligated to) obtain such insurance and pay the premium therefor and Borrower shall reimburse Lender on demand for all such Advances. Notwithstanding anything to the contrary contained herein or in any provision of law, the Proceeds of insurance policies coming into the possession of Lender shall not be deemed trust funds and Lender shall be entitled to dispose of such Proceeds as hereinafter provided.
- (d) In the event of any damage to or destruction of the Premises and/or Equipment, Borrower shall give prompt written notice to Lender and shall promptly cause the tenant under the applicable Master Lease to commence and diligently continue to completion the repair, restoration and rebuilding of the Premises and/or Equipment so damaged or destroyed in full compliance with all legal requirements and with the provisions of Section 2.04(h)(i) below, and free and clear from any and all liens and claims, in accordance with the provisions of the Master Leases. Such repair, restoration and rebuilding of the Premises are sometimes hereinafter collectively referred to as the "Work." Borrower shall not adjust, compromise or settle any claim for insurance proceeds in excess of \$1,000,000 without the prior consent of Lender. Lender shall apply any insurance Proceeds it may receive pursuant

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to this Mortgage or the Master Leases (less any cost to Lender of recovering and paying out such Proceeds, including reasonable attorneys' fees), and which is not required under the terms of the Master Leases to be applied to restoration or to be paid to the holder of any leasehold mortgage encumbering the tenant's interest in the Master Lease, to the payment of the Indebtedness, whether or not due and payable. If any insurance Proceeds are applied to reduce the Indebtedness, provided no Event of Default shall have occurred or be continuing, Lender shall apply the same, without any prepayment fee, in the following order:

- (i) first, to the payment of interest due on any Advances;
- (ii) next, to the principal amount of any Advances;
- (iii) next, to any Late Charges, attorney's fees or any other amount due hereunder or under a Loan Document save for the amounts described in (iv) and (v) immediately below;
- (iv) next, to accrued interest then due under the Note; and
- (v) finally, to the unpaid principal balance of the Note (in the inverse order of maturity of principal installments thereof).

If an Event of Default shall have occurred and be continuing, however, Lender, at its option, may apply any insurance Proceeds to the foregoing items in such order and priority as Lender deems appropriate in its sole discretion.

- (e) In the event of the foreclosure of this Mortgage or other transfer of title to or assignment of the Mortgaged Property in extinguishment of the Indebtedness in whole or in part, all right, title and interest of Borrower in and to all policies of insurance required by this Mortgage and any insurance Proceeds shall inure to the benefit of and pass to Lender or any purchaser or transferee at the foreclosure sale of the Mortgaged Property.
- (f) Following the occurrence of an Event of Default (subject to the expiration of cure periods provided for in Section 7 of the Note), Borrower hereby irrevocably appoints Lender its attorney-in-fact, coupled with an interest, to apply and make claims for insurance Proceeds under all insurance policies constituting Intangibles, to prosecute and settle such claims and to endorse any checks, drafts or other instruments representing any insurance Proceeds whether payable by reason of loss thereunder or otherwise. Following the occurrence of an Event of Default (subject to the expiration of cure periods provided for in Section 7 of the Note), additionally, Lender may notify any and all insurers under casualty and liability insurance policies constituting part of the Intangibles that Lender has a security interest pursuant to the provisions of this Mortgage in and to such insurance policies and any proceeds thereof, and that any payments under those insurance policies are to be made directly to Lender. Lender's rights under this Section 2.04(f) may be exercised by Lender.

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- (g) Notwithstanding anything to the contrary in this Mortgage, at any time that the Master Leases are in effect with respect to the entire Mortgaged Property, or either of the Master Leases is in effect with respect to a portion of the Mortgaged Property, and to the extent that the terms and provisions of such Master Lease are applicable to the payment and application of the proceeds of any property insurance policy or any condemnation or deed in lieu thereof, or exercise of eminent domain, any Proceeds (including without limitation such proceeds of property insurance or condemnation) shall be paid and applied in accordance with the terms of the applicable Master Lease; provided that, any Proceeds payable to Borrower under the terms of a Master Lease and not applied to restoration shall be paid to Lender to be applied to the Indebtedness as provided above.

Section 2.05. Condemnation. Borrower shall notify Lender immediately of the actual or threatened (in writing) commencement of any proceedings for the condemnation or taking of the Premises or any portion thereof and shall deliver to Lender copies of any and all papers served in connection with such proceedings. Lender may participate in such proceedings and Borrower shall deliver to Lender all instruments requested by Lender to permit such participation. Following the occurrence of an Event of Default (subject to the expiration of cure periods provided for in Section 7 of the Note), Lender is hereby irrevocably appointed as Borrower's attorney-in-fact, coupled with an interest, with exclusive power to collect, receive and retain the Proceeds of any such condemnation and to make any compromise or settlement in connection with such proceedings, subject to the provisions of this Mortgage. Borrower shall not adjust, compromise, settle or enter into any agreement with respect to such proceedings in excess of \$1,000,000 without the prior consent of Lender. All Proceeds of any condemnation, or purchase in lieu thereof, of the Premises or any portion thereof are hereby assigned to and shall be paid to Lender except that, if the payment of proceeds are governed by a Master Lease, they shall be paid to Lender only to the extent they are payable to Borrower in accordance with the terms of the Master Lease. Borrower hereby authorizes Lender to collect and receive such Proceeds, to give proper receipts and acquittances therefor. Any such Proceeds (less any cost to Lender of recovering and paying out such Proceeds, including reasonable attorneys' fees and costs allocable to inspecting any repair, restoration or rebuilding work and the plans and specifications therefor) payable to Borrower toward the payment of the Indebtedness, whether or not due and payable. If the Proceeds are used to reduce the Indebtedness, they shall be applied in the order provided in Section 2.04(d), without any prepayment fee. Borrower shall promptly execute and deliver all instruments requested by Lender for the purpose of confirming the assignment of the condemnation Proceeds to Lender. Notwithstanding the foregoing, this Section 2.05 is subject to the provisions of Section 2.04(g).

Section 2.06. Impositions.

- (a) Borrower shall pay and discharge all Impositions prior to delinquency and shall furnish to Lender validated receipts or other evidence satisfactory to Lender showing the payment of such Impositions within 15 days after the same would otherwise have become delinquent. Borrower's obligation to pay Impositions pursuant to this Mortgage shall include, to the extent permitted by applicable law, taxes resulting from future changes in law which impose upon Lender an obligation to pay any property taxes or other Impositions or which otherwise adversely affect Lender's interests.

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Should Borrower default in the payment of any Impositions, after expiration of cure period provided in Section 7 of the Note, Lender may (but shall not be obligated to) pay such Impositions or any portion thereof and Borrower shall reimburse Lender on demand for all such Advances.

- (b) Borrower shall not be required to pay, discharge or remove any Imposition so long as Borrower contests in good faith such Imposition or the validity, applicability or amount thereof by an appropriate legal proceeding which operates to prevent the collection of such amounts and the sale of the Mortgaged Property or any portion thereof; provided, however, that prior to the date on which such Imposition would otherwise have become delinquent Borrower shall have (i) given Lender prior notice of such contest and (ii) deposited with Lender, and shall deposit such additional amounts as are necessary to keep on deposit at all times, an amount equal to at least 110 per cent of the total of (A) the balance of such Imposition then remaining unpaid and (B) all interest, penalties, costs and charges accrued or accumulated thereon. Any such contest shall be prosecuted with due diligence, and Borrower shall promptly pay the amount of such Imposition as finally determined, together with all interest and penalties payable in connection therewith. Lender shall have full power and authority to apply any amount deposited with Lender under this Section 2.06(b) to the payment of any unpaid Imposition to prevent the sale or forfeiture of the Mortgaged Property for non-payment thereof. Lender shall have no liability, however, for failure to so apply any amount deposited unless Borrower requests the application of such amount to the payment of the particular Imposition for which such amount was deposited. Any surplus retained by Lender after payment of the Imposition for which a deposit was made shall be repaid to Borrower unless an Event of Default shall have occurred under the provisions of this Mortgage, in which case said surplus may be retained by Lender to be applied to the Indebtedness. Notwithstanding any provision of this Section 2.06(b) to the contrary, Borrower shall pay any Imposition which it might otherwise be entitled to contest if, in the reasonable opinion of Lender, the Mortgaged Property is in jeopardy or in danger of being forfeited or foreclosed. If Borrower refuses to pay any such Imposition, Lender may (but shall not be obligated to) make such payment and Borrower shall reimburse Lender on demand for all such Advances. Additionally, in such event, if Lender is prevented by law or judicial or administrative order from paying such Imposition, then Lender, at its option, may declare the entire Indebtedness immediately due and payable.

Section 2.07. Intentionally Omitted

Section 2.08. Mortgage Taxes. Borrower shall pay any and all taxes, charges, filing, registration and recording fees, excises and levies imposed upon Lender by reason of its ownership of, or measured by amounts payable under, the Note, this Mortgage or any other Loan Document (other than income, franchise and doing business taxes), and shall pay all stamp taxes and other taxes required to be paid on the Note or the other Loan Documents. If Borrower fails to make such payment within five days after notice thereof from Lender, Lender may (but shall not be obligated to) pay the amount due, and Borrower shall reimburse Lender on demand for all such Advances. If applicable law prohibits Borrower from paying such taxes, charges, filing, registration and

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recording fees, excises, levies, stamp taxes or other taxes, then Lender may declare the Indebtedness then unpaid to be immediately due and payable. In such event, no prepayment fee shall be charged.

Section 2.09. Loan Documents Authorized.

- (a) The execution and delivery of this Mortgage, the Note and the other Loan Documents have been duly authorized and there is no provision in Borrower's organizational documents, as amended, requiring further consent for such action by any other person or entity.
- (b) Borrower is duly organized, validly existing and in good standing under the laws of the state of its formation.
- (c) Borrower has all necessary franchises, licenses, authorizations, registrations, permits and approvals and full power and authority to own and operate its properties, including the Mortgaged Property, and carry on its business as now conducted in each jurisdiction where Borrower conducts its business.
- (d) The execution and delivery of and performance of its obligations under the Loan Documents (i) will not result in Borrower's being in default under any provision of its organizational documents, as amended, any court order, or any mortgage or other agreement to which it is a party and (ii) do not require the consent of or any filing with any governmental authority.
- (e) All necessary and required actions have been duly taken by and on behalf of Borrower to make and constitute the Loan Documents, and the Loan Documents constitute, legal, valid and binding obligations enforceable in accordance with their respective terms, subject only to the application of bankruptcy and other laws affecting the rights of creditors generally.
- (f) Borrower has not received any written notice alleging that the Mortgaged Property is not in compliance with all provisions of all zoning, subdivision, land use, environmental, traffic, fire, building, and occupational safety and health rules, regulations, codes, acts and statutes to which it is subject.

Section 2.10. Maintenance of Existence. So long as it owns the Mortgaged Property, Borrower shall do all things necessary to preserve and keep in full force and effect its existence, franchises, licenses, authorizations, registrations, permits and approvals under the laws of the state of its formation and the State, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental authority or court now or hereafter applicable to Borrower or to the Mortgaged Property or any portion thereof.

Section 2.11. Payment of Liens. Borrower shall pay when due all payments and charges due under or in connection with any liens and encumbrances on and security interests in the Mortgaged Property or any portion thereof, and all claims and demands of mechanics, materialmen, laborers and others which, if unpaid, might result in or permit the creation of a lien on the Mortgaged Property or any portion thereof, and shall cause the prompt (but in no event later than 60

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days after imposition), full and unconditional discharge of all liens imposed on or against the Mortgaged Property or any portion thereof; or, in the alternative, Borrower, if it desires to contest the validity of any such lien or claim, may obtain an appropriate endorsement to Lender's title insurance policy insuring over any such lien or claim. Borrower shall do or cause to be done, at the sole cost of Borrower, everything necessary to fully preserve the priority of the lien of this Mortgage. If Borrower fails to make any such payment or if a lien attaches to the Mortgaged Property or any portion thereof (after expiration of the cure period herein provided), Lender may (but shall not be obligated to) make such payment or discharge such lien and Borrower shall reimburse Lender on demand for all such Advances.

Section 2.12. Costs of Defending and Upholding the Lien. Lender may, after notice to Borrower, (a) appear in and defend any action or proceeding, in the name and on behalf of either Lender or Borrower, in which Lender is named or which Lender in its reasonable discretion determines may adversely affect the Mortgaged Property, this Mortgage, the lien hereof or any other Loan Document; and (b) institute any action or proceeding which Lender in its reasonable discretion determines should be instituted to protect its interest in the Mortgaged Property or its rights under this Mortgage or any other Loan Document including, without limitation, foreclosure proceedings. Borrower agrees to bear and shall pay or reimburse Lender on demand for all Advances and expenses (including reasonable attorneys' fees) relating to or incurred by Lender in connection with any such action or proceeding.

Section 2.13. Costs of Enforcement. Borrower agrees to bear and shall pay or reimburse Lender on demand for all Advances and expenses (including reasonable attorneys' and appraisers' fees and the expenses and reasonable fees of any receiver or similar official) of or incidental to the collection of the Indebtedness, any foreclosure of this Mortgage or any other Loan Document, any enforcement, compromise or settlement of this Mortgage, any other Loan Document or the Indebtedness, or any defense or assertion of the rights or claims of Lender in respect of any thereof, by litigation or otherwise. In the event of the entry of a decree of foreclosure of this Mortgage, there shall be included in such decree all expenses (including reasonable attorneys' and appraisers' fees and the expenses and reasonable fees of any receiver or similar official) of or incidental to the collection of the Indebtedness, and foreclosure of this Mortgage or any other Loan Document. In any event where a foreclosure or other enforcement proceeding is commenced following the occurrence of an Event of Default hereunder and such proceeding is dismissed because the Borrower is permitted to reinstate the Indebtedness, whether because of Borrower's exercise of statutory rights of reinstatement or otherwise, then, notwithstanding the foregoing provisions of this Section 2.13, all costs and expenses of the Lender as described herein shall be paid or reimbursed by Borrower. Borrower shall also be responsible for the payment of all Lender's costs and expenses in connection with any bankruptcy or insolvency proceeding involving Borrower, any member of Borrower or any guarantor.

Section 2.14. Interest on Advances and Expenses. All Advances made at any time by Lender pursuant to the provisions of this Mortgage or the other Loan Documents or under applicable law shall be secured by this Mortgage as part of the Indebtedness, with equal rank and priority. All such Advances shall bear interest at the Default Rate from the date that each such Advance is made to the date of repayment and all Advances with interest thereon shall be payable to Lender on demand.

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Section 2.15. Indemnification. Borrower shall indemnify and hold Lender and Lender's directors, officers, employees and agents harmless from and against and reimburse them for all Losses which may be imposed upon, asserted against, or incurred or paid by any of them (a) by reason of, on account of or in connection with any act or occurrence relating to the Mortgaged Property or any bodily injury, death, other personal injury or property damage occurring in, upon or in the vicinity of the Premises from any cause whatsoever, (b) as a result of the failure of Borrower to perform any of its obligations under any of the Loan Documents, or (c) on account of any transaction otherwise arising out of or in any way connected with the Mortgaged Property, this Mortgage or the Indebtedness. The foregoing indemnification shall not apply to any Losses caused by the gross negligence, willful misconduct or bad faith of Lender.

Section 2.16. Financial Statements; Records. Borrower shall keep adequate books and records of account in accordance with generally accepted accounting principles ("GAAP"), or in accordance with other methods acceptable to Lender in its reasonable discretion, consistently applied, and shall furnish to Lender:

- (a) a current certified rent roll, signed and dated by Borrower, detailing for each of the Leases, the names of all tenants of the Premises, the portion of the Premises occupied by each tenant, the annual rental, including base rent, additional rent and percentage rent, and any other charges payable and the term of each of the Leases, including the expiration date, and any other information as is reasonably required by Lender, within 120 days after the end of each Fiscal Year of the Borrower;
- (b) an annual operating statement of the Premises detailing the total revenues received, total expenses incurred, total cost of all capital improvements, total debt service and total cash flow, to be prepared and certified by Borrower in the form approved by Lender, within 120 days after the close of each Fiscal Year of Borrower;
- (c) an annual balance sheet and profit and loss statement of Borrower and of any guarantor or indemnitor under any Loan Document, in a form approved by Lender, prepared and certified by Borrower, the guarantor or indemnitor as to the applicable statement. All statements shall be delivered to Lender within 120 days after the close of each Fiscal Year of Borrower;
- (d) an annual operating budget consistent with the annual operating statement described above for the Premises, including cash flow projections for the upcoming year, and all proposed capital replacements and improvements at least 15 days prior to the start of each Fiscal Year; and
- (e) upon request from Lender, the following:

Borrower's books and records regarding the Premises for examination, review, copying and audit by Lender or its auditors

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during normal business hours and convenient facilities for such examination review, copying and audit of Borrower's books and records of account.

- (f) Borrower's agreements as set forth in this Section 2.16 constitute material inducements to Lender in making the loan secured by this mortgage. Accordingly, in the event Borrower fails to furnish any financial report or tax return required by this section within 45 days after written notice, time being of the essence, then, in addition to all other remedies available to Lender under this Mortgage, Borrower agrees to pay Lender a late charge of \$10 for each day or part thereof that any such financial report or tax return shall be overdue. In addition, Borrower hereby appoints Lender its attorney in fact for the purpose of hiring at Borrower's cost an auditing firm to prepare and deliver to Lender any overdue rent roll, operating statement or balance sheet and profit and loss statement in the event Borrower fails or refuses to furnish to Lender those financial reports as and when due. The foregoing late charges and the costs and expenses of the auditor shall be due and payable to Lender upon demand and shall constitute a part of the Indebtedness.

Notwithstanding the foregoing, Lender agrees to accept in satisfaction of the requirements of this Section 2.16 copies as required and issued of all financial reports delivered to the lender or its agents pursuant to the loan documents in the Commercial Mortgage Pass-Through Certificate, Series 2001-TZH secured by a mortgage on the tenant's interest in the Master Leases, and Borrower agrees to deliver to Lender copies of all such reports in the form or forms and at the times required by such loan documents..

Section 2.17. Prohibition Against Conveyances and Encumbrances.

- (a) Except with the prior consent of Lender, Borrower shall not and shall not permit others to convey, assign, sell, mortgage, encumber, pledge, hypothecate, grant a security interest in, grant options with respect to, or otherwise dispose of (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) all or any portion of any legal or beneficial interest (a) in all or any portion of the Mortgaged Property including the Leases; (b) in the stock of any corporation which is either Borrower or a beneficial owner of all or any portion of Borrower or of the Mortgaged Property; (c) in Borrower (or any trust of which Borrower is a trustee); or (d) if Borrower is a limited or general partnership, limited liability company, joint venture, trust, nominee trust, tenancy in common or other unincorporated form of business association or form of ownership, in any person, firm or entity having a direct or indirect legal or beneficial ownership interest in Borrower, including any legal or beneficial interest in any general partner of Borrower, in any general partner of any general partner of Borrower or in any member of a limited liability company. Any such transfer or encumbrance to which Lender consents must be to a United States

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citizen or an entity owned or controlled by United States citizens. All requests for Lender's consent under this Section 2.17 shall be on a form previously approved by Lender and shall be accompanied by the payment of Lender's standard processing fee for such transactions then in effect. Lender's consent to any of the foregoing actions, if given (in Lender's sole discretion), may be conditioned upon a change in the interest rate, maturity date, amortization period or other terms under the Note, the payment of a transfer fee and/or any other requirements of Lender. In addition to the standard processing fee and the transfer fee referred to in this Section 2.17, Borrower agrees to bear and shall pay or reimburse Lender on demand for all reasonable expenses (including reasonable attorneys' fees, title search costs, and title insurance endorsement premiums) incurred by Lender in connection with the review, approval and documentation of any such transaction. Solely for purposes of this Section 2.17, the term "Borrower" shall include not only Borrower but also the tenant(s) under the Master Leases, and the term "Mortgaged Property" shall include not only the Mortgaged Property but also the tenant's interest under the Master Leases. The provisions of this Section 2.17 shall be applied as though a TrizecHahn Affiliate had owned 100 percent of the membership interest in Borrower from and after the date of this Mortgage.

- (b) Notwithstanding the prohibitions of Section 2.17(a), but subject to the provisions of Section 2.17(c), Borrower shall have the right to make or permit "Permitted Transfers", as hereafter defined, provided that at the time of such Permitted Transfer, there is no Event of Default then existing, nor may any event have occurred which, after notice or passage of time or both, would constitute an event of default there under. The following shall constitute "Permitted Transfers":
- (i) a sale or transfer of an interest in Borrower or other entity to one or more "TrizecHahn Affiliates," or
 - (ii) a sale or transfer of title to the Mortgaged Property to a Trizec-Hahn Affiliate, or
 - (iii) a sale or transfer of up to 49 percent of the equity in Borrower or other Trizec-Hahn Affiliate at any time after Note-B is paid in full if, at the time of and at all times following the transfer, (i) one or more Trizec-Hahn Affiliates directly or indirectly owns 51 percent or more of Borrower, and (ii) Borrower is directly or indirectly controlled by one or more Trizec-Hahn Affiliates, or
 - (iv) transfers to effectuate or the occurrence of a merger, conversion, consolidation, reorganization or other form of business combination involving any one or more of TrizecHahn Corporation, Trizec Hahn Office Properties, Inc. or TrizecHahn (USA) Corporation or any entity directly or indirectly owning or controlling any one or more of Trizec Hahn

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Corporation, Trizec Hahn Office Properties, Inc. or TrizecHahn (USA) Corporation, or

- (v) a sale or transfer of any interest (other than a direct interest in the Mortgaged Property or Borrower) if, immediately following the transfer and at all times thereafter, Borrower is 100 percent directly or indirectly owned and controlled by one or more TrizecHahn Affiliates.

Provided further that all of the following conditions are also satisfied:

- (1) With respect to transfers other than those which qualify as Permitted Transfers only under (v), neither the acquiring entity nor any principal of the acquiring entity, on the date for the closing of the transfer, may be (i) in default on any indebtedness or loan from Lender, (ii) involved as a debtor in any bankruptcy, reorganization or insolvency proceeding, or (iii) the subject of any criminal charges or proceedings;
- (2) At least 30 days prior to such transfer, Borrower shall have provided Lender with written notice of the proposed transfer along with the name(s), address(es) and organizational documents of the acquiring entity and principals of the acquiring entity. Borrower shall furnish to Lender along with such notice the following: (i) detailed and complete financial statements of the acquiring entity and principals of the acquiring entity, and (ii) information with respect to the business and business experience of the proposed acquiring entity and its principals' experience in the ownership and operation of properties similar to the Mortgaged Property and other commercial real estate;
- (3) In the case of a transfer of the Mortgaged Property, the transferee shall assume the Loan under documents in form and substance satisfactory to Lender, subject to the non-recourse provisions of the Loan Documents existing as of the date of the closing of the transfer. At the time of the assumption of the Loan, the acquiring entity shall furnish to Lender an Indemnity in form and substance satisfactory to Lender from the acquiring entity effectuating such assumption.
- (4) Borrower shall pay all of Lender's reasonable costs and expenses incurred in connection with the proposed transfer of the Mortgage Property whether or not the transfer actually occurs including, without limitations, attorneys fees, recording charges, title charges and any endorsement to Lender's title policy that Lender's counsel may require.

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No Permitted Transfer or any other transfer or encumbrance shall release or impair any recourse obligation of Borrower or THOPI, whether existing at the time of the transfer or encumbrance or thereafter arising. As used herein, "TrizecHahn Affiliate" means (i) TrizecHahn Corporation and any successor thereto by merger, conversion, consolidation, reorganization or other form of business combination, ("TZH"), (ii) TrizecHahn Office Properties Inc. and any successor thereto by merger, conversion, consolidation, reorganization or other form of business combination, ("THOPI"), (iii) TrizecHahn (USA) Corporation and any successor thereto by merger, conversion, consolidation, reorganization or other form of business combination, ("THUSA") or (iv) any entity which directly or indirectly has control over, is controlled by or is under common control with TZH, THOPI, or THUSA.

- (c) Notwithstanding any provision of Section 2.17(b) to the contrary, (i) the membership interest of CDECREE, Inc. in Borrower (the "CDECREE Membership") may not be transferred in whole or in part to any entity other than an Initial THOPI Member, (ii) the CDECREE Membership must be transferred in full to an Initial THOPI Member by no later than 185 days after the date of the Mortgage, and (iii) all cash flow from the Mortgaged Property while CDECREE, Inc. is Borrower's member and payments made to CDECREE, Inc. to acquire its membership interest in Borrower which are not used to pay the Loan or other expenses of the Mortgaged Property shall be paid or distributed to the Initial THOPI Member which acquires the CDECREE Membership.

Section 2.18. Estoppel Certificates. Within 10 Business Days of a request by Lender, Borrower shall furnish to Lender a duly acknowledged written statement confirming the amount of the outstanding Indebtedness, the terms of payment and maturity date of the Note, the date to which interest has been paid, and whether any offsets or defenses exist against the Indebtedness. If any such offsets or defenses are alleged to exist, the nature thereof shall be set forth in detail.

Section 2.19. Assignment of Leases and Property Income.

- (a) Borrower hereby absolutely and unconditionally assigns and transfers to Lender the Ground Leases, Borrower's interest in all other Leases, and the Property Income. Borrower shall not otherwise assign, transfer or encumber in any manner the Ground Leases or the Property Income or any portion thereof. Borrower shall have a license, revocable by Lender, to collect and use the Property Income as the same becomes due and payable so long as no Event of Default has occurred, but may not collect any Property Income more than 30 days in advance of the date the same becomes due. The assignment in this Section 2.19 shall constitute an absolute and present assignment of the Leases and the Property Income, and not an additional assignment for security, and the existence or exercise of the Borrower's revocable license to collect Property Income shall not operate to subordinate this assignment to any subsequent assignment. The exercise by Lender of any of its rights or

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remedies under this Section 2.19 shall not be deemed or construed to make Lender a mortgagee-in-possession.

- (b) Borrower shall perform all obligations as lessor under the Ground Leases and shall enforce all of the terms, covenants and conditions contained in upon the part of the lessee thereunder to be performed or observed, short of termination thereof.
- (c) In addition to the foregoing, Borrower shall comply with all terms and provisions of the Assignment.
- (d) Upon occurrence of an Event of Default (and the expiration of all applicable cure periods), Lender may, with or without exercising any other rights or remedies, (i) give or require Borrower to give notice to any or all tenants under the Leases authorizing and directing them to pay all Property Income under the Ground Leases and, to the extent Borrower has rights thereto, other Leases directly to Lender; and (ii) without regard to any waste, adequacy of the security or solvency of Borrower, apply for the appointment of a receiver of the Mortgaged Property to which appointment Borrower hereby consents, whether or not foreclosure proceedings have been commenced under this Mortgage and whether or not a foreclosure sale has occurred.

Section 2.20. Environmental Matters, Warranties; Notice; Indemnity.

- (a) Borrower represents and warrants to Lender respecting the Premises and the Equipment as follows:
 - (i) Borrower has not installed, used, generated, manufactured, produced, stored, released, discharged or disposed of in, on, under or about the Premises, or transported to or from any portion of the Premises, any Hazardous Substance or allowed any other person or entity to do so, except under conditions permitted by applicable Environmental Laws;
 - (ii) to Borrower's actual knowledge, there are no Hazardous Substances or underground storage tanks in, on, or under or about the Premises except those that are both (A) in compliance with Environmental Laws and with permits issued pursuant thereto, and (B) fully disclosed to Lender in writing pursuant to the written reports resulting from environmental assessments of the Mortgaged Property delivered to Lender (the "Environmental Report");
 - (iii) to Borrower's actual knowledge, there are no present or threatened Releases of any Hazardous Substance in, on, under or about the Premises except as defined in the Environmental Report;
 - (iv) to Borrower's actual knowledge, there is no threat of any Release of Hazardous Substances migrating to the Premises except as described in the Environmental Report;

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- (v) to Borrower's actual knowledge, there is no present non-compliance with Environmental Laws, or with permits issued pursuant thereto, in connection with the Premises or the Equipment except as described in the Environmental Report; and
 - (vi) Borrower has not received, any written notice or other communication from any person or entity (including, but not limited to, a governmental entity) relating to Hazardous Substances or Remediation thereof, of possible liability of any person or entity pursuant to any Environmental Law, other environmental conditions in connection with the Premises or Equipment, or any actual or potential administrative or judicial proceedings in connection with any of the foregoing.
- (b) Borrower shall not install, use, generate, manufacture, produce, store, Release, discharge or dispose of on, under or about the Premises, or transport to or from any portion of the Premises, any Hazardous Substance or allow any other person or entity to do so, except under conditions permitted by applicable Environmental Laws. Additionally, except with the prior written consent of Lender, no portion of the Premises shall be leased, used or occupied for dry cleaning operations or the storage of any chemicals used in the dry cleaning process.
- (c) Borrower shall keep and maintain the Premises in compliance with, and shall not cause or permit the Premises to be in violation of, applicable Environmental Laws.
- (d) Borrower shall promptly provide notice to Lender of:
- (i) any proceeding, investigation or inquiry commenced by any governmental authority with respect to the presence of any Hazardous Substance on, under or about the Premises or the migration of any Hazardous Substance to or from adjoining property;
 - (ii) all claims made or threatened in writing by any person or entity against Borrower, any other party occupying the Premises or any portion thereof, or the Premises, relating to any loss or injury allegedly resulting from any Hazardous Substance; and
 - (iii) the discovery of any occurrence or condition on the Premises or on any real property adjoining or in the vicinity of the Premises, of which Borrower becomes aware, which might cause the Premises or any portion thereof to be in violation of any Environmental Law or subject to any restriction on ownership, occupancy, transferability or use under any Environmental Law (collectively, an "Environmental Violation").

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- (e) Lender may join and participate in, as a party if it so reasonably determines, any legal or administrative proceeding or action concerning the Premises or Equipment under any Environmental Law. Borrower agrees to bear and shall pay or reimburse Lender on demand for all Advances and expenses (including reasonable attorneys' fees) relating to or incurred by Lender in connection with any such action or proceeding.
- (f) Borrower shall indemnify and hold Lender and Lender's directors, officers, employees and agents harmless from and against any and all claims, demands, liabilities, losses, damages, judgments, penalties, costs and expenses (including reasonable attorneys' fees) directly or indirectly arising out of or attributable to a breach of any warranty or representation contained in this Section 2.20 or of any other provision thereof including, without limitation, (i) all actual damages, (ii) the costs of any required Remediation, and (iii) the costs of the preparation and implementation of any plans for Remediation, closure or other required plans. This indemnity shall survive the satisfaction, release or extinguishment of the lien of this Mortgage including any extinguishment of such lien by foreclosure or deed in lieu thereof.

Section 2.21. Environmental Matters; Remedial Work.

- (a) If any investigation, site monitoring, containment, cleanup, removal, restoration or other Remediation of any kind or nature (collectively, the "Remedial Work") is required, reasonably necessary or desirable under any applicable Environmental Law because of or in connection with the current or future presence, suspected presence, release or suspected release of a Hazardous Substance into the air, soil, ground water, surface water, or soil vapor on, under or about the Premises or any portion thereof, Borrower shall promptly commence and diligently prosecute to completion all such Remedial Work. In all events, such Remedial Work shall be commenced within 45 days after any demand therefor by Lender or such shorter period as may be required under any applicable Environmental Law.
- (b) All Remedial Work shall be performed by contractors, and under the supervision of a consulting engineer, each approved in advance by Lender. All costs and expenses of such Remedial Work and Lender's monitoring or review of such Remedial Work (including reasonable attorneys' fees) shall be paid by Borrower. If Borrower does not timely commence and diligently prosecute to completion the Remedial Work, Lender may (but shall not be obligated to) cause such Remedial Work to be performed. Borrower agrees to bear and shall pay or reimburse Lender on demand for all Advances and expenses (including reasonable attorneys' fees) relating to or incurred by Lender in connection with monitoring, reviewing or performing any Remedial Work.
- (c) Except with Lender's prior consent, Borrower shall not commence any Remedial Work or enter into any settlement agreement, consent decree or other compromise relating to any Hazardous Substances or Environmental Laws which might, in Lender's sole judgment, impair the value of Lender's security hereunder. Lender's prior consent shall not be required, however, if the presence or threatened presence of Hazardous Substances on, under or about the Premises poses an immediate threat to the health, safety or welfare of any

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person or is of such a nature that an immediate remedial response is necessary, and it is not possible to obtain Lender's prior consent. In such event Borrower shall notify Lender as soon as practicable of any action taken.

Section 2.22. Environmental Matters: Inspection.

- (a) Lender shall have the right at all reasonable times to enter upon and inspect all or any portion of the Premises, provided that such inspections shall not unreasonably interfere with the operations of the tenants of the Premises. Lender may select a consulting engineer to conduct and prepare reports of such inspections. The inspection rights granted to Lender in this Section 2.22 shall be in addition to, and not in limitation of, any other inspection rights granted to Lender in this Mortgage, and shall expressly include the right to conduct soil borings and other customary environmental tests, assessments and audits.
- (b) Borrower agrees to bear and shall pay or reimburse Lender on demand for all Advances and expenses (including reasonable attorneys' fees) relating to or incurred by Lender in connection with the inspections and reports described in this Section 2.22 in the following situations:
 - (i) If Lender has reasonable grounds to believe, at the time any such inspection is ordered, that there exists an Environmental Violation or that a Hazardous Substance is present on, under or about the Premises or is migrating to or from adjoining property, except under conditions permitted by applicable Environmental Laws and not prohibited by any Loan Document;
 - (ii) if any such inspection reveals an Environmental Violation or that a Hazardous Substance is present on, under or about the Premises or is migrating to or from adjoining property, except under conditions permitted by applicable Environmental Laws and not prohibited by any Loan Document; or
 - (iii) if an Event of Default exists at the time any such inspection is ordered.

Section 2.23. Certain Agreements. Borrower shall timely observe and comply with the agreements and documents listed on Schedule B hereto (the "Identified Documents") and shall not, without Lender's prior written consent, which may be granted or withheld in Lender's sole and absolute discretion, amend or terminate any Identified Document, whether for default or otherwise; provided, however, that, if the Penn Central Space is subjected to this Mortgage and the other Loan Documents as part of an Acquisition Loan or other transaction contemplated by and which meets the conditions of Section 2.25 of this Mortgage, then Borrower may (a) execute the amendments contemplated by Article 4 of the EOAs, and (b) add the Penn Central Space to the Master Leases on all of the terms and provisions thereof, except that the rent (minimum and percentage) shall be increased to the rental provided for the Penn Central Space in the Master Leases.

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Section 2.24. ERISA. As of the date hereof and throughout the term of this Mortgage, (i) Borrower is not and will not be an "employee benefit plan" as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA; (ii) the assets of Borrower do not and will not constitute "plan assets" of one or more such plans for purposes of Title I of ERISA; (iii) Borrower is not and will not be a "governmental plan" within the meaning of Section 3(3) of ERISA; (iv) transactions by or with Borrower are not and will not be subject to state statutes applicable to Borrower regulating investments of fiduciaries with respect to governmental plans; and (v) Borrower shall not engage in any transaction which would cause any obligation, or action taken or to be taken, hereunder (or the exercise by Lender of any of its rights under this Mortgage, the Note, or the other Loan Documents) to be a non-exempt (under a statutory or administrative class exemption) prohibited transaction under ERISA. Borrower further agrees to deliver to Lender such certifications or other evidence of compliance with the provisions of this Section 2.24 as Lender may from time to time request.

Section 2.25. Penn Central Space. Borrower shall not and shall not permit any Affiliate to acquire any direct or indirect interest in the Penn Central Space unless all Borrower Lower Parcel then or thereafter acquired by Borrower and the Penn Central Space is subjected to this Mortgage and all other Loan Documents pursuant to either (i) a loan (an "Acquisition Loan") from Lender to Borrower which finances the acquisition of the Penn Central Space, or (ii) if the Penn Central Space is acquired without an Acquisition Loan or any other financing which encumbers the Penn Central Space (an "Unfinanced Acquisition"), an amendment or amendments (whether one or more, the "Amendments") to this Mortgage and other Loan Documents acceptable to Lender in form and substance if (a) the title insurance policies and all endorsements thereto which insure the lien of this Mortgage are endorsed to add the Penn Central Space and Borrower Lower Parcel and all easements appurtenant thereto to the insured description, and to show this Mortgage as the insured mortgage as amended by the Amendments, without additional exceptions to title other than those, if any, approved by Lender, (b) Lender receives engineering and environmental reports on the Penn Central Space acceptable to Lender in form and substance, (c) Lender receives a survey of the Mortgaged Property and the Penn Central Space as a single parcel which is acceptable to Lender in form and substance, and (d) Borrower pays all fees, costs and expenses, including legal fees and disbursements, relating to matters referred to in this item (ii). Borrower shall have no obligation to acquire the Penn Central Space, and Lender shall have no obligation to make, and Borrower shall have no obligation to accept, an Acquisition Loan. If Borrower elects to make an Unfinanced Acquisition, Lender agrees that it will sign the Amendments if the conditions set forth in item (ii) above are fulfilled.

ARTICLE III Security Agreement

Section 3.01. Warranties, Representations and Covenants of Borrower. Borrower covenants, warrants, represents and agrees with and to Lender as follows:

- (a) This Mortgage constitutes a security agreement under the Code and serves as a fixture filing in accordance with the Code. This Mortgage creates a security interest in favor of Lender as secured party under the Code with

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respect to all property (specifically including the Collateral) included in the Mortgaged Property which is covered by the Code. The mention of any portion of the Mortgaged Property in a financing statement filed in the records normally pertaining to personal property shall not derogate from or impair in any manner the intention of Borrower and Lender hereby declared that all items of collateral described in this Mortgage are part of the real property encumbered hereby to the fullest extent permitted by law, regardless of whether any such item is physically attached to the Improvements or whether serial numbers are used for the better identification of certain items. Specifically, the mention in any such financing statement of (i) the rights in or the Proceeds of any policy of insurance, (ii) any condemnation Proceeds, (iii) Borrower's interest in any Leases or Property Income, or (iv) any other item included in the Mortgaged Property, shall not be construed to alter, impair or impugn any rights of Lender as determined by this Mortgage or the priority of Lender's lien upon and security interest in the Mortgaged Property. Any such mention shall be for the protection of Lender in the event that notice of Lender's priority of interest as to any portion of the Mortgaged Property is required to be filed in accordance with the Code to be effective against or take priority over the interest of any particular class of persons, including the federal government or any subdivision or instrumentality thereof.

- (b) Except for the security interest granted by this Mortgage, Borrower is and, as to portions of the Collateral to be acquired after the date hereof, will be the sole owner of the Collateral, free from any lien, security interest, encumbrance or adverse claim thereon of any kind whatsoever except Permitted Encumbrances. Borrower shall notify Lender of, and shall defend the Collateral against, all claims and demands of all persons at any time claiming the same or any interest therein.
- (c) Except as otherwise provided in this Mortgage, Borrower shall not lease, sell, convey or in any manner transfer the Collateral without the prior consent of Lender.
- (d) The Collateral is not used or bought for personal, family or household purposes.
- (e) The Collateral shall be kept on or at the Premises, and Borrower shall not remove the Collateral from the Premises without the prior consent of Lender, except such portions or items of the Collateral as are consumed or worn out in ordinary usage, all of which shall be promptly replaced by Borrower with items of equal or greater value.
- (f) In the event of any change in name, identity or structure of Borrower, Borrower shall notify Lender thereof and promptly after request shall

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execute, file and record such Code forms as are necessary to maintain the priority of Lender's lien upon and security interest in the Collateral, and shall pay all expenses and fees in connection with the filing and recording thereof. If Lender shall require the filing or recording of additional Code forms or continuation statements, Borrower shall, promptly after request, execute, file and record such Code forms or continuation statements as Lender shall deem necessary (subject to Lender's right to sign such statements on behalf of Borrower as provided in Subsection 3.01(g)), and shall pay all expenses and fees in connection with the filing and recording thereof. If Lender shall initially pay such expenses, Borrower shall promptly reimburse Lender for the expenses.

- (g) Borrower hereby irrevocably appoints Lender as its attorney-in-fact, coupled with an interest, to execute in the name of and on behalf of Borrower any and all financing statements and continuations thereof and to file with the appropriate public office on its behalf and at its expense any financing or other statements signed only by Lender, as secured party, in connection with the Collateral covered by this Mortgage.

Section 3.02. Financing Statements. A CARBON, PHOTOGRAPHIC OR OTHER REPRODUCTION OF THIS MORTGAGE OR ANY FINANCING STATEMENT RELATING TO THIS MORTGAGE SHALL BE SUFFICIENT AS A FINANCING STATEMENT.

Section 3.03. Addresses. The mailing address of Borrower and the address of Lender from which information concerning the security interest granted hereby may be obtained are set forth on the Cover Sheet of this Mortgage. Borrower maintains its sole place of business or its chief executive office at the address shown on said Cover Sheet, and Borrower shall immediately notify Lender in writing of any change in said place of business or chief executive office.

Section 3.04. Additional Information. The following information is provided for purposes of the fixture filing set forth in this Article III:

- (a) The record owner of the Mortgaged Property is the Borrower.
- (b) Borrower is the Debtor. Borrower is a limited liability company, organized under the laws of the State of Delaware. Borrower's Organizational Identification Number is 36-4196348.
- (c) This Mortgage covers good which are or are to become fixtures.

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ARTICLE IV Default and Remedies

Section 4.01. Events of Default. Each of the following shall constitute an Event of Default under this Mortgage, the Note and the other Loan Documents:

- (a) failure in the payment of any amount due as and when due under this Mortgage, the Note or any other Loan Document;
- (b) failure to pay any Imposition as and when due or to maintain insurance as required by this Mortgage;
- (c) default in the due observance or performance of any term, covenant or condition contained in this Mortgage, the Note or any other Loan Document;
- (d) if any representation made herein or in any other Loan Document shall prove to be untrue in any material respect;
- (e) violation of any of the covenants set forth in Section 2.17 with respect to conveyances, sales, encumbrances or other prohibited dispositions of the Mortgaged Property or Borrower or any portion thereof or any interest therein;
- (f) violation of any of the covenants set forth in Section 2.19(a) with respect to the further assignment, transfer or encumbrance by Borrower of the Leases or the Property Income or any portion thereof;
- (g) if Borrower or any guarantor of the Note consents to the filing of, or commences or consents to the commencement of, any Bankruptcy Proceeding with respect to Borrower or such guarantor;
- (h) if any Bankruptcy Proceeding shall have been filed against Borrower or any guarantor of the Note and the same is not withdrawn, dismissed, canceled or terminated within 120 days of such filing;
- (i) if Borrower or any guarantor of the Note is adjudicated bankrupt or insolvent or a petition for reorganization of Borrower or guarantor is granted and, in the case of an involuntary proceeding, is not vacated or dismissed within 120 days after commencement;
- (j) if a receiver, liquidator or trustee of Borrower or any guarantor of the Note or of any of the properties of Borrower or guarantor shall be appointed and such appointment is not vacated within 120 days after commencement;

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- (k) if Borrower or any guarantor of the Note shall make an assignment for the benefit of its creditors or shall admit in writing the inability to pay its debts generally as they become due;
- (l) except as otherwise permitted herein, if Borrower or any guarantor of the Note shall institute or cause to be instituted any proceeding for the termination or dissolution of Borrower or guarantor;
- (m) if a default or event of default shall occur under any mortgage, encumbrance, lien or security agreement encumbering all or any portion of the Mortgaged Property which is subordinate or superior to the lien of this Mortgage or if any party under any such instrument shall commence a foreclosure or other collection or enforcement action in connection therewith, unless, in any such case, the lien is being contested in accordance with any provision hereof permitting such contest, provided, however, that this provision shall not be deemed to be a waiver of the provisions of Section 2.17 prohibiting further encumbrances or of any other provision of this Mortgage, it being understood that it is an event of default under this Mortgage to permit any further mortgage, encumbrance, lien or security agreement to encumber all or any portion of the Mortgaged Property without the prior written consent of the Lender;
- (n) except as permitted in this Mortgage or in the Master Leases, the alteration, demolition or removal of any of the Improvements without the prior consent of Lender; or
- (o) damage to any of the Mortgaged Property in any manner which is not covered by insurance as a result of Borrower's failure to maintain insurance required in accordance with this Mortgage.

Section 4.02. Remedies. Upon the occurrence of any Event of Default and the expiration of any applicable cure periods provided for in Section 7 of the Note, Lender may take such actions against Borrower and/or the Mortgaged Property or any portion thereof as it deems advisable to protect and enforce its rights against Borrower and in and to the Mortgaged Property, without notice or demand except as set forth below. Any such actions taken by Lender shall be cumulative and concurrent and may be pursued independently, singly, successively, together or otherwise, at such time and in such order as Lender may determine in its sole discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of Lender permitted by law, equity or contract or as set forth herein or in the other Loan Documents. Such actions may include the following:

- (a) Subject to any applicable provisions of the Note, Lender may declare the entire principal balance under the Note then unpaid, together with all accrued and unpaid interest thereon, and all other unpaid Indebtedness, to be immediately due and payable.

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- (b) Subject to the Master Leases and the rights of the tenant thereunder, Lender may enter into or upon the Mortgaged Property, personally or by its agents, nominees or attorneys, and may dispossess Borrower and its agents and servants therefrom, and thereupon Lender at its sole discretion may: (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every portion of the Mortgaged Property and conduct business thereon, in any case either in the name of Lender or in such other name as Lender shall deem best; (ii) complete any construction on the Mortgaged Property in such manner and form as Lender deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Mortgaged Property; and (iv) exercise all rights and powers of Borrower with respect to the Mortgaged Property, whether in the name of Borrower or otherwise, including the right to make, cancel, enforce or modify Leases, obtain and evict tenants, and demand, sue for, collect and receive all Property Income. Lender may also apply the receipts of Property Income to the payment of the Indebtedness (including any prepayment fee payable under the Note) in such order as Lender shall determine in its sole discretion, after deducting therefrom all expenses (including reasonable attorneys' fees) incurred in connection with the aforesaid operations and all amounts necessary to pay the Impositions, insurance and other charges in connection with the Mortgaged Property, as well as just and reasonable compensation for the services of Lender, its agents, nominees and attorneys.
- (c) Subject to any applicable provisions of the Note, Lender may institute proceedings for the complete foreclosure of this Mortgage, in which case the Mortgaged Property may be sold for cash or upon credit, as an entirety or in parcels or portions.
- (d) Subject to any applicable provisions of the Note, Lender may institute proceedings for the partial foreclosure of this Mortgage for the portion of the Indebtedness then due and payable, subject to the continuing lien of this Mortgage for the balance of the Indebtedness not then due.
- (e) Lender may institute an action, suit or proceeding at law or in equity for the specific performance of any covenant, condition or agreement contained herein or in the Note or any other Loan Document, or in aid of the execution of any power granted hereunder or for the enforcement of any other appropriate legal or equitable remedy.
- (f) Subject to any applicable provisions of the Note, Lender may recover judgment on the Note, either before, during or after any proceedings for the foreclosure or enforcement of this Mortgage.

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- (g) Lender may secure the appointment of a receiver, trustee, liquidator or similar official of the Mortgaged Property or any portion thereof, and Borrower hereby consents and agrees to such appointment, without notice to Borrower and without regard to the adequacy of the security for the Indebtedness and without regard to the solvency of Borrower or any other person, firm or entity liable for the payment of the Indebtedness, and such receiver or other official shall have all rights and powers permitted by applicable law and such other rights and powers as the court making such appointment may confer, but the appointment of such receiver or other official shall not impair or in any manner prejudice the rights of Lender to receive the Property Income pursuant to this Mortgage or the Assignment.
- (h) Lender may exercise any or all of the remedies available to a secured party under the Code, but any sale of the Equipment shall be subject to any applicable provisions of the Note.
- (i) Lender may pursue any other rights and remedies of Lender permitted by law, equity or contract or as set forth herein or in the other Loan Documents.
- (j) Lender in its sole discretion may surrender any insurance policies and collect the unearned premiums and apply such sums against the Indebtedness.

Section 4.03. General Provisions Regarding Remedies.

- (a) Effect of Judgment. No recovery of any judgment by Lender and no levy of an execution under any judgment upon the Mortgaged Property or upon any other property of Borrower shall affect in any manner or to any extent the lien of this Mortgage upon the Mortgaged Property or any portion thereof, or any rights, powers or remedies of Lender hereunder. Such lien, rights, powers and remedies of Lender shall continue unimpaired as before.
- (b) Intentionally Omitted.
- (c) Right to Purchase. At any sale of the Mortgaged Property or any portion thereof pursuant to the provisions of this Mortgage, Lender shall have the right to purchase the Mortgaged Property being sold, and in such case shall have the right to credit against the amount of the bid made therefor (to the extent necessary) all or any portion of the Indebtedness then due.
- (d) Right to Terminate Proceedings. Lender may terminate or rescind any proceeding or other action brought in connection with its exercise of the remedies provided in Section 4.02 at any time before the conclusion thereof, as determined in Lender's sole discretion and without prejudice to Lender.
- (e) No Waiver or Release. Lender may resort to any remedies and the security given by the Loan Documents, in whole or in part, and in such portions and in such order as determined in Lender's sole discretion. No such action shall in any way be considered a waiver of any

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rights, benefits or remedies evidenced or provided by the Loan Documents. The failure of Lender to exercise any right, remedy or option provided in the Loan Documents shall not be deemed a waiver of such right, remedy or option or of any covenant or obligation secured by the Loan Documents. No acceptance by Lender of any payment after the occurrence of an Event of Default and no payment by Lender of any Advance or obligation for which Borrower is liable hereunder shall be deemed to waive or cure such Event of Default or Borrower's liability to pay such obligation. No sale of all or any portion of the Mortgaged Property, no forbearance on the part of Lender, and no extension of time for the payment of the whole or any portion of the Indebtedness or any other indulgence given by Lender to Borrower or any other person or entity, shall operate to release or in any manner affect Lender's interest in the Mortgaged Property or the liability of Borrower to pay the Indebtedness, except to the extent that such liability shall be reduced by Proceeds of the sale of all or any portion of the Mortgaged Property received by Lender. No waiver by Lender shall be effective unless it is in writing and then only to the extent specifically stated.

- (f) **No Impairment; No Release.** The interests and rights of Lender under the Loan Documents shall not be impaired by any indulgence, including (i) any renewal, extension or modification which Lender may grant with respect to any of the Indebtedness; (ii) any surrender, compromise, release, renewal, extension, exchange or substitution which Lender may grant with respect to the Mortgaged Property or any portion thereof; or (iii) any release or indulgence granted to any maker, endorser, guarantor or surety of any of the Indebtedness. If the Mortgaged Property is sold and Lender enters into any agreement with the then owner of the Mortgaged Property extending the time of payment of the Indebtedness, or otherwise modifying the terms hereof or of any other Loan Document, Borrower shall continue to be liable to pay the Indebtedness according to the tenor of any such agreement unless expressly released and discharged in writing by Lender.
- (g) **Waivers and Agreements Regarding Remedies.** To the full extent Borrower may legally do so, Borrower:
- (i) **agrees that Borrower will not at any time insist upon, plead, claim or take the benefit or advantage of any laws now or hereafter in force providing for any appraisal or appraisement, valuation, stay, extension or redemption, and waives and releases all rights of redemption, valuation, appraisal or appraisement, stay of execution, extension and notice of election to accelerate or declare due the whole of the Indebtedness;**
 - (ii) **waives all rights to a marshalling of the assets of Borrower, Borrower's partners, if any, and others with interests in Borrower, including the Mortgaged Property, or to a sale in inverse order of alienation in the event of foreclosure of the interests hereby created, and agrees not to assert any right under any laws pertaining to the marshalling of assets, the sale in inverse**

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order of alienation, homestead exemption, the administration of estates of decedents, or any other matters whatsoever to defeat, reduce or affect the right of Lender under the Loan Documents to a sale of the Mortgaged Property for the collection of the Indebtedness without any prior or different resort for collection, or the right of Lender to the payment of the Indebtedness out of the Proceeds of sale of the Mortgaged Property in preference to every other claimant whatsoever;

- (iii) waives any right to bring or utilize any defense, counterclaim or setoff, other than one in good faith, which denies the existence or sufficiency of the facts upon which the foreclosure action is grounded or which is based on Lender's wrongful actions. If any defense, counterclaim or setoff (other than one permitted by the preceding sentence) is raised by Borrower in such foreclosure action, such defense, counterclaim or setoff shall be dismissed. If such defense, counterclaim or setoff is based on a claim which could be tried in an action for money damages, the foregoing waiver shall not bar a separate action for such damage (unless such claim is required by law or applicable rules of procedure to be pleaded in or consolidated with the action initiated by Lender), but such separate action shall not thereafter be consolidated with Lender's foreclosure action. The bringing of such separate action for money damages shall not be deemed to afford any grounds for staying Lender's foreclosure action;
- (iv) waives and relinquishes any and all rights and remedies which Borrower may have or be able to assert by reason of the provisions of any laws pertaining to the rights and remedies of sureties;
- (v) waives the defense of laches and any applicable statutes of limitation; and
- (vi) waives any right to have any trial, action or proceeding tried by a jury.
- (h) Lender's Discretion. Except as otherwise provided herein, Lender may exercise its rights, options and remedies and may make all decisions, judgments and determinations under this Mortgage and the other Loan Documents in its sole unfettered discretion.
- (i) Lender's Right to Waive, Consent or Release. Lender may at any time, in writing, (i) waive compliance by Borrower with any covenant herein made by Borrower to the extent and in

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the manner specified in such writing; (ii) consent to Borrower's doing any act which Borrower is prohibited hereunder from doing, or consent to Borrower's failing to do any act which Borrower is required hereunder to do, to the extent and in the manner specified in such writing; or (iii) release any portion of the Mortgaged Property, or any interest therein, from this Mortgage and the lien of the other Loan Documents. No such act shall in any way impair the rights of Lender hereunder except to the extent specified by Lender in such writing.

(j) Possession of the Mortgaged Property. Upon the occurrence of any Event of Default hereunder and demand by Lender at its option, Borrower shall immediately surrender or cause the surrender of possession of the Premises to Lender, subject to the terms of the Master Leases. If Borrower or any other occupant is permitted to remain in possession, such possession shall be as tenant of Lender and such occupant (i) shall on demand pay to Lender monthly, in advance, reasonable use and occupancy charges for the space so occupied, and (ii) in default thereof, may be dispossessed by the usual summary proceedings. Upon demand, Borrower shall assemble the Collateral and make it available at any place Lender may designate to allow Lender to take possession and/or dispose of the Collateral. The covenants herein contained may be enforced by a receiver of the Mortgaged Property or any portion thereof. Nothing in this Section 4.03(j) shall be deemed a waiver of the provisions of this Mortgage prohibiting the sale or other disposition of the Mortgaged Property without Lender's consent.

(k) Limitations on Liability

(i) Except to the extent that Note A and Note B are recourse in accordance with their terms, and subject to the provisions of this Section, in any action or proceedings brought on this Mortgage, the Note or on any of the Loan Documents in which a money judgment is sought, Lender will look solely to the Mortgaged Property and other property described in the Loan Documents (including the Property Income and any other rents and profits from such property) for payment of the Indebtedness and, specifically and without limitation, except for recourse obligations under Note A and Note B, Lender agrees to waive any right to seek or obtain a deficiency judgment against Borrower.

(ii) The provisions of Section 4.03(k)(i) shall not

(u) constitute a waiver, release or impairment of any obligation evidenced or secured by this Mortgage, the Note or any other Loan Document;

(v) be deemed to be a waiver of any right which Lender may have under Sections 506(a), 506(b), 1111(b) or any other provisions of the U.S. Bankruptcy Code to file a claim for the full amount of the Indebtedness secured by this Mortgage

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or to require that all Collateral shall continue to secure all of the Indebtedness owing to Lender in accordance with the Note, this Mortgage and the Loan Documents;

- (w) impair the right of the Lender to name the Borrower or any guarantor of the Note as a party or parties defendant in any action or suit for judicial foreclosure and sale under this Mortgage;
 - (x) affect the validity or enforceability of, or limit recovery under, any indemnity (including the environmental indemnity set forth in Section 2.20(f) of this Mortgage or any separate environmental indemnity agreement, however designated) or guaranty made in connection with this Mortgage, the Note or the Loan Documents;
 - (y) impair the right of the Lender to obtain the appointment of a receiver; or,
 - (z) impair Lender's rights and remedies under Section 2.19 of this Mortgage regarding the assignment of Leases and Property Income to Lender or under the Assignment.
- (iii) Notwithstanding any provisions of this Subsection 4.03(k), nothing herein shall be deemed to impair or prejudice in any way the right of Lender (which right is specifically reserved) to pursue or obtain personal recourse liability against Borrower, or any other person or entity, to recover damages actually incurred by Lender and caused by the following:
- (s) the obligations and liabilities of the Borrower under any separate guaranty or indemnity;
 - (t) fraud or material misrepresentation in connection with any Loan Document, affidavit, certification, warranty or representation given by Borrower or any officer, general partner, member or authorized agent of Borrower in connection with the making of the loan evidenced by the Note;
 - (u) the application or appropriation of insurance or condemnation Proceeds in a manner contrary to the terms of the Loan Documents;
 - (v) the application or appropriation of any tenant security deposits, advance or prepaid rents, cancellation or

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termination fees or other similar sums paid to or held by Borrower or any other person in connection with the operation of the Premises contrary to the terms of the Loan Documents;

- (w) intentionally omitted;
 - (x) any act of arson, malicious destruction or waste by Borrower, any principal, affiliate or partner thereof, or by any guarantor or indemnitor (including any indemnitor under the environmental indemnity contained in the Mortgage, or in a separate environmental indemnity or similar document executed herewith);
 - (y) the failure to apply Property Income or Proceeds to payments due under the Loan Documents or to operating expenses of the Mortgaged Property, thereby resulting in, or contributing materially to an Event of Default. Provided, however, that neither Borrower nor any other person or entity shall have any personal liability for Losses based on distributions by Borrower of Property Income or rent loss insurance Proceeds to Borrower, or any general partner, principal, stockholder or member of or managing agent for Borrower (if Borrower shall be a limited liability company) made in good faith (after determining the sufficiency of Property Income and rent loss insurance Proceeds to cover the payments due under the Loan Documents and the operating expenses of the Mortgaged Property) more than 180 days prior to an Event of Default; or
 - (z) Borrower, any general partner or member (if Borrower shall be a limited liability company) of Borrower or any guarantor of the Indebtedness files or consents to the filing of any petition under the U.S. Bankruptcy Code respecting its or their debts.
- (m) Subrogation. If all or any portion of the proceeds of the Note or any Advance shall be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any prior lien or encumbrance upon the Mortgaged Property or any portion thereof, then Lender shall be subrogated to, and shall have the benefit of the priority of, such other lien or encumbrance and any additional security held by the holder thereof.

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ARTICLE V Miscellaneous

Section 5.01. Notices.

- (a) All notices, consents, approvals and requests required or permitted hereunder or under any other Loan Document shall be given in writing and shall be effective for all purposes if hand delivered or sent by (i) certified or registered United States mail, postage prepaid, or (ii) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, addressed in either case to any party hereto at its address as stated on the Cover Sheet of this Mortgage, or at such other address and person as shall be designated from time to time by Lender or Borrower, as the case may be, in a written notice to the other party in the manner provided for in this Section 5.01. A notice shall be deemed to have been given: in the case of hand delivery, at the time of delivery; in the case of registered or certified mail, three Business Days after deposit in the United States mail; or in the case of expedited prepaid delivery, upon the first attempted delivery on a Business Day. A party receiving a notice which does not comply with the technical requirements for notice under this Section 5.01 may elect to waive any deficiencies and treat the notice as having been properly given.
- (b) Borrower shall notify Lender promptly of the occurrence of any of the following: (i) receipt of notice from any governmental authority relating to the Mortgaged Property; (ii) any material change in the occupancy of the Mortgaged Property; (iii) receipt of any notice from the holder of any other lien or security interest in the Mortgaged Property; or (iv) commencement of any judicial or administrative proceedings by, against or otherwise affecting Borrower or any guarantor, the Mortgaged Property, or any entity controlling, controlled by or under common control with Borrower or any guarantor, or any other action by any creditor thereof as a result of any default under the terms of any loan.

Section 5.02. Binding Obligations; Joint and Several. The provisions and covenants of this Mortgage shall run with the land, shall be binding upon Borrower, its successors and assigns, and shall inure to the benefit of Lender, its successors and assigns. If there is more than one Borrower, all their obligations and undertakings hereunder are and shall be joint and several.

Section 5.03. Captions. The captions of the sections and subsections of this Mortgage are for convenience only and are not intended to be a part of this Mortgage and shall not be deemed to modify, explain, enlarge or restrict any of the provisions hereof.

Section 5.04. Further Assurances. Borrower shall do, execute, acknowledge and deliver, at its sole cost and expense, such further acts, instruments or documentation, including additional title insurance policies or endorsements, as Lender may reasonably require from time to time to better assure, transfer and confirm unto Lender the rights now or hereafter intended to be granted to Lender under this Mortgage or any other Loan Document.

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Section 5.05. Severability. If 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 of this Mortgage, but this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

Section 5.06. Borrower's Obligations Absolute. All sums payable by Borrower hereunder shall be paid without notice, demand, counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the obligations and liabilities of Borrower hereunder shall in no way be released, discharged, or otherwise affected (except as expressly provided herein) by reason of: (a) any damage to or destruction of or any condemnation or similar taking of the Mortgaged Property or any portion thereof; (b) any restriction or prevention of or interference with any use of the Mortgaged Property or any portion thereof; (c) any title defect or encumbrance or any eviction from the Premises or any portion thereof by title paramount or otherwise; (d) any Bankruptcy Proceeding relating to Borrower, any general partner of Borrower, or any guarantor or indemnitor, or any action taken with respect to this Mortgage or any other Loan Document by any trustee or receiver of Borrower or any such general partner, guarantor or indemnitor, or by any court, in any such proceeding; (e) any claim which Borrower has or might have against Lender; (f) any default or failure on the part of Lender to perform or comply with any of the terms hereof or of any other agreement with Borrower; or (g) any other occurrence whatsoever, whether similar or dissimilar to the foregoing, whether or not Borrower shall have notice or knowledge of any of the foregoing. Except as expressly provided herein, Borrower waives all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction of any sum secured hereby and payable by Borrower.

Section 5.07. Amendments. This Mortgage cannot be altered, amended, modified or discharged orally and no executory agreement shall be effective to modify or discharge it in whole or in part, unless in writing and signed by the party against which enforcement is sought.

Section 5.08. Other Loan Documents and Schedules. All of the agreements, conditions, covenants, provisions and stipulations contained in the Note and the other Loan Documents, and each of them, which are to be kept and performed by Borrower are hereby made a part of this Mortgage to the same extent and with the same force and effect as if they were fully set forth in this Mortgage, and Borrower shall keep and perform the same, or cause them to be kept and performed, strictly in accordance with their respective terms. The Cover Sheet and each schedule and rider attached to this Mortgage are integral parts of this Mortgage and are incorporated herein by this reference. In the event of any conflict between the provisions of any such schedule or rider and the remainder of this Mortgage, the provisions of such schedule or rider shall prevail.

Section 5.09. Legal Construction.

- (a) The enforcement of this Mortgage shall be governed by, and construed and interpreted in accordance with, the laws of the State.

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- (b) All terms contained herein shall be construed, whenever the context of this Mortgage so requires, so that the singular number shall include the plural, and the plural the singular, and the use of any gender shall include all genders.
- (c) The terms "include" and "including" as used in this Mortgage shall be construed as if followed by the phrase "without limitation".
- (d) Any provision of this Mortgage permitting the recovery of attorneys' fees and costs shall be deemed to include such fees and costs incurred in all appellate proceedings.

Section 5.10. Merger. So long as any Indebtedness shall remain unpaid, fee title to and any other estate in the Mortgaged Property shall not merge, but shall be kept separate and distinct, notwithstanding the union of such estates in any person or entity.

Section 5.11. Time of the Essence. Time shall be of the essence in the performance of all obligations of Borrower under this Mortgage.

Section 5.12. Transfer of Loan. Lender, in the management of its investments or for any other reason, may, at any time, sell, transfer or assign the Note, the Mortgage and the other Loan Documents and the servicing rights with respect thereto or grant participations therein or issue mortgage pass-through certificates or other securities evidencing a beneficial interest in the Note, Mortgage and other Loan Documents (collectively, a "Transfer"). As part of a Transfer, Lender may forward to each transferee, assignee, servicer, participant or investor all documents and information which Lender now has or may hereafter acquire relating to the Indebtedness, the Loan Documents and the Mortgaged Property. Borrower agrees to cooperate with Lender in connection with a Transfer including, without limitation, the delivery of any estoppel certificates required under Section 2.18 and such other documents as may be reasonably be requested by Lender.

Section 5.13. Defeasance. If all of the Indebtedness is paid in full in accordance with the Note and the other Loan Documents and all of the covenants, warranties, conditions, undertakings and agreements made in this Mortgage and the other Loan Documents are fully kept and performed, then in that event only all rights of Lender under this Mortgage and the other Loan Documents shall terminate and the Mortgaged Property shall become wholly clear of the liens, grants, security interests, conveyances and assignments evidenced hereby and thereby, and Lender shall release or cause to be released such liens, grants, assignments, conveyances and security interests in due form at Borrower's cost (to the extent permitted by the law of the State), and this Mortgage shall be void; provided, however, that no provision of this Mortgage or any other Loan Document which, by its own terms, is intended to survive such payment, performance, and release (nor the rights of Lender under any such provision) shall be affected in any manner thereby and such provision shall, in fact, survive. Recitals of any matters or facts in any release instrument executed by Lender under this Section 5.13 shall be conclusive proof of the truthfulness thereof. To the extent permitted by law, such an instrument may describe the grantee or releasee as "the person or persons legally entitled thereto" and Lender shall not have any duty to determine the rights of persons claiming to be rightful grantees or releasees of any of the Mortgaged Property. When this Mortgage has been fully released or discharged by Lender, the release or discharge hereof shall operate as a release and

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discharge of the Assignment and as a reassignment of all future Leases and Property Income with respect to the Mortgaged Property to the person or persons legally entitled thereto, unless such release expressly provides to the contrary.

Section 5.14. Applicable State Law Provisions The following provisions are included in this Mortgage specifically to comply with provisions of Illinois law or custom:


- (a) The proceeds of the Indebtedness referred to herein shall be used solely for business purposes and in furtherance of the regular business affairs of Borrower, and the entire principal obligation secured by this Mortgage constitutes (i) a "business loan" as that term is defined in, and for all purposes of, 815 ILCS 205/4(c), and (ii) a "loan secured by a mortgage on real estate" within the purview and operation of 815 ILCS 205/4(1).
- (b) This Mortgage secures the payment of the entire Indebtedness, including, without limitation, all amounts owed pursuant to Section 2.14 hereof, and all costs and expenses referred to in Sections 2.11, 2.12, 2.13, 2.15, 2.20, 2.21, 2.22, 4.02, 4.03 and 5.13 hereof; provided, however that the total amount secured by this Mortgage shall not exceed an amount equal to three hundred percent (300%) of the face amount of the Note.

Section 5.15. Limitation on Damages. Lender shall under no circumstances be subject to liability or damages for failing or refusing to grant any consent or approval pursuant to this Mortgage or any other Loan Document, or for any delay in granting any such consent or approval, and Borrower hereby irrevocably waives all claims for such liability and damages.

IN WITNESS WHEREOF, this Mortgage has been duly executed and delivered as of the day and year first above written.

BORROWER

TRIZECHAHN 10/120 FEE LLC,
a Delaware limited liability company

By 

Evan Boris
Its Vice President

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STATE OF ILLINOIS

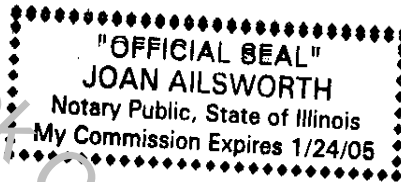
COUNTY OF COOK

I, Joan AILSWORTH, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Evan Boris, the vice president of TrizecHahn 10/120 Fee LLC, a Delaware limited liability company, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the same instrument as his own free and voluntary act and as the free and voluntary act of said company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 8th day of November, 2001.

Joan Ailsworth
Notary Public

M1-804775.06



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SCHEDULE A

DESCRIPTION OF LAND

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LEGAL DESCRIPTION 120 S. Riverside

PARCEL 1:

A PART OF LOT 3 IN RAILROAD COMPANIES' RESUBDIVISION OF BLOCKS 62 TO 76, BOTH INCLUSIVE, 78, PARTS OF 61 AND 77 AND CERTAIN VACATED STREETS AND ALLEYS IN SCHOOL SECTION ADDITION TO CHICAGO, A SUBDIVISION OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SAID RESUBDIVISION RECORDED IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS ON MARCH 29, 1924, IN BOOK 188 OF PLATS AT PAGE 16 AS DOCUMENT NO. 8339751; FALLING WITHIN A TRACT OF LAND COMPRISED OF PART OF LOTS 3 AND 4 BEING BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 4 AND RUNNING THENCE WEST ALONG THE SOUTH LINE OF SAID LOT 4 AND OF SAID LOT 3, A DISTANCE OF 242.50 FEET TO THE POINT OF INTERSECTION OF SAID SOUTH LINE OF LOT 3 WITH THE EAST LINE OF THE WEST 20 FEET OF SAID LOT 3; THENCE NORTH ALONG SAID EAST LINE OF THE WEST 20 FEET OF LOT 3, A DISTANCE OF 397.635 FEET TO AN INTERSECTION WITH THE SOUTH LINE OF THE NORTH 33.0 FEET OF SAID LOT 3; THENCE EAST ALONG THE SOUTH LINE OF THE NORTH 33 FEET OF SAID LOTS 3 AND 4, A DISTANCE OF 216.50 FEET TO AN INTERSECTION WITH THE EASTERLY LINE OF SAID LOT 4; AND THENCE SOUTHWARDLY ALONG THE EASTERLY LINE OF SAID LOT 4, A DISTANCE OF 398.60 FEET TO THE POINT OF BEGINNING,

EXCEPTING, HOWEVER, FROM THE PARCEL OF LAND ABOVE-DESCRIBED THE RESPECTIVE PORTIONS THEREOF LYING VERTICALLY BELOW THE FOLLOWING HORIZONTAL PLANES:

(A) A HORIZONTAL PLANE 20.5 FEET ABOVE CHICAGO CITY DATUM, THE PERIMETER OF WHICH IS DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF SAID PARCEL AND RUNNING THENCE EASTERLY ALONG THE NORTH LINE OF SAID PARCEL, A DISTANCE OF 168 FEET; THENCE SOUTHWARDLY TO A POINT ON THE SOUTH LINE OF SAID PARCEL 168 FEET FROM THE SOUTHWEST CORNER THEREOF; THENCE WESTERLY A DISTANCE OF 168 FEET ALONG SAID SOUTH LINE OF SAID PARCEL TO THE SOUTHWEST CORNER THEREOF; THENCE NORTHERLY ALONG THE WEST LINE OF SAID PARCEL TO THE POINT OF BEGINNING OF SAID HORIZONTAL PLANE, A DISTANCE OF 397.64 FEET, MORE OR LESS; ALSO

(B) A HORIZONTAL PLANE 22.5 FEET ABOVE CHICAGO CITY DATUM OVER THE REMAINDER OF SAID PARCEL WHICH IS NOT VERTICALLY BELOW THE HORIZONTAL PLANE DESCRIBED IN CLAUSE (A) ABOVE.

AND EXCEPTING THE BUILDINGS AND IMPROVEMENTS LOCATED THEREON, EXCEPT FOR THE REVERSIONARY INTEREST THEREIN IF THE LEASE REFERRED TO IN EXCEPTION 1 EXPIRES OR IS TERMINATED.

PARCEL 2:

EASEMENTS APPURTENANT TO PARCEL 1 AS CREATED BY EASEMENT AND OPERATING AGREEMENT MADE BY CHICAGO UNION STATION COMPANY AND TRIZECHAHN 10/120 FEE LLC, DATED _____ AND RECORDED _____ AS DOCUMENT _____, FOR, AMONG OTHER THINGS, INGRESS AND EGRESS FOR PERSONS, MATERIALS AND EQUIPMENT IN, OVER AND ACROSS ALL LAND AND SPACES BELOW THE HORIZONTAL PLANES DESCRIBED IN PARCEL 1 ABOVE, AND IN, OVER AND ACROSS ALL LAND AND SPACES FALLING IN THAT PART OF LOT 4 IN RAILROAD COMPANIES' RESUBDIVISION, AFORESAID, DESCRIBED ABOVE IN PARCEL 1, BELOW THE HORIZONTAL PLANES DESCRIBED ABOVE IN PARCEL 1, INCLUDING EASEMENTS FOR THE AREA OCCUPIED BY THE COLUMNS, CAISSONS, FOUNDATIONS, GUSSETS AND ALL OTHER SUPPORTING STRUCTURES FOR THE BUILDING AND IMPROVEMENTS CONSTRUCTED IN PARCEL 1, AND IN THAT PART OF LOT 4, AND BY ALL OTHER IMPROVEMENTS, PLENUMS, MECHANICAL AND ELECTRICAL EQUIPMENT, PIPES, WIRES, CONDUITS, UTILITIES AND OTHER STRUCTURES

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LOCATED BELOW SAID HORIZONTAL PLANES IN CONNECTION WITH SAID BUILDING AND IMPROVEMENTS, INCLUDING, BUT NOT LIMITED TO, THE SPACE OCCUPIED BY THE IMPROVEMENTS AND STRUCTURES SHOWN ON THE PLAT OF SURVEY PREPARED AND CERTIFIED BY CHICAGO GUARANTEE SURVEY COMPANY DATED JANUARY 3, 1968 (CONSISTING OF FIVE SHEETS IDENTIFIED AS ORDER NOS. 6501003AA SHEETS 1-5), WHICH WAS RECORDED AS PART OF DOCUMENT NO. 20370303.

PARCEL 3:

AN EASEMENT APPURTENANT TO PARCEL 1 OVER AND ACROSS THE WEST 20 FEET OF LOT 3 IN SAID RAILROAD COMPANIES' RESUBDIVISION TO CONSTRUCT, USE, MAINTAIN, REPAIR, REPLACE OR RENEW FROM TIME TO TIME SUCH COLUMNS, GUSSETS, TRUSSES, HORIZONTAL STRUCTURAL MEMBERS, CAISSONS, FOUNDATIONS AND OTHER SUPPORTS AS MAY BE REASONABLY NECESSARY OR APPROPRIATE TO MAINTAIN AND SUPPORT THE PLAZA AND OTHER IMPROVEMENTS CONTEMPLATED BY THE EASEMENT AND OPERATING AGREEMENT DESCRIBED IN PARCELS 2 AND 3, INCLUDING, WITHOUT LIMITATION, THE COLUMNS (DESIGNATED 'DD') AND THE CAISSONS, FOUNDATIONS AND RELATED STRUCTURES SHOWN ON THE PLAT OF SURVEY REFERRED TO IN PARCEL 2 ABOVE.

PARCEL 4:

A NONEXCLUSIVE APPURTENANT EASEMENT IN FAVOR OF THE LEASEHOLD INTEREST IN PARCEL 1, THEIR SUCCESSORS AND ASSIGNS, INCLUDING, WITHOUT LIMITATION, CHICAGO UNION STATION COMPANY AND THE PENN CENTRAL CORPORATION, AS THEIR INTERESTS MAY APPEAR UPON EXPIRATION OR OTHER TERMINATION OF THE AIR RIGHTS LEASEHOLDS, AS CREATED BY DEED OF EASEMENT DATED JANUARY 16, 1990 AND RECORDED JANUARY 31, 1990 AS DOCUMENT 90047309 FOR THE USE OF 1,100 PUBLIC PARKING SPACES IN THE GARAGE, AS DEFINED THEREIN, WITH RIGHTS OF INGRESS AND EGRESS AND AN EASEMENT FOR THE PURPOSE OF CONSTRUCTION OF SUCH REPAIRS OR RESTORATION FOR A PERIOD REQUIRED TO COMPLETE SUCH REPAIRS OR RESTORATION ON, OVER AND ACROSS THE FOLLOWING DESCRIBED LEGAL DESCRIPTION: LOTS 5, 6, 7 AND 8 (EXCEPT FROM SAID LOTS THAT PART FALLING IN ALLEY) IN BLOCK 49 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AS AMENDED BY FIRST AMENDMENT TO DEED OF EASEMENT RECORDED OCTOBER 9, 1990 AS DOCUMENT 90491486.

PARCEL 5:

EASEMENTS FOR THE BENEFIT OF PARCEL 1 AS FOLLOWS: FOR INGRESS AND EGRESS, AND 1) TO MAINTAIN, SO LONG AS THEY EXIST, SUCH INCIDENTAL ENCROACHMENTS OF THE BUILDING OR OTHER IMPROVEMENTS, AS THEY NOW EXIST OR ARE FROM TIME TO TIME REBUILT OR REPLACED IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT, FROM THE LAND DESCRIBED IN PARCEL 1 INTO THE LOWER PARCEL, AND 2) TO, FROM TIME TO TIME, TEMPORARILY USE THE LOWER PARCEL AS NEEDED FOR CONSTRUCTION AND STAGING PURPOSES TO REPAIR, MAINTAIN, RECONSTRUCT OR REPLACE (A) THE BUILDING OR OTHER IMPROVEMENTS ON THE LAND DESCRIBED IN PARCEL 1, OR (B) THE FOUNDATIONS OR OTHER FACILITIES SUBJECT TO EASEMENTS CREATED AND GRANTED BY THAT CERTAIN EASEMENT AND OPERATING AGREEMENT MADE BY AND BETWEEN CHICAGO UNION STATION COMPANY AND TRIZECHAHN 10/120 FEE LLC, AND RECORDED _____ AS DOCUMENT _____ IN, OVER AND ACROSS CERTAIN ADJOINING LAND MORE PARTICULARLY DESCRIBED THEREIN, IN COOK COUNTY, ILLINOIS.

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LEGAL DESCRIPTION 10 S. Riverside

PARCEL 1:

THAT PART OF LOT 2 IN RAILROAD COMPANIES' RESUBDIVISION OF BLOCKS 62 TO 76 BOTH INCLUSIVE, 78, PARTS OF 61 AND 77 AND CERTAIN VACATED STREETS AND ALLEYS IN SCHOOL SECTION ADDITION TO CHICAGO, A SUBDIVISION OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SAID RESUBDIVISION RECORDED IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS ON MARCH 29, 1924 IN BOOK 188 OF PLATS AT PAGE 16 AS DOCUMENT NUMBER 8339751, FALLING WITHIN A TRACT OF LAND COMPRISED OF PARTS OF LOTS 1 AND 2 IN SAID RAILROAD COMPANIES' RESUBDIVISION WHICH IS BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 1 AND RUNNING THENCE SOUTHWARDLY ALONG THE EASTERLY LINE OF SAID LOT 1 A DISTANCE OF 199.495 FEET TO AN ANGLE POINT IN SAID EASTERLY LOT LINE; THENCE CONTINUING SOUTHWARDLY ALONG SAID EASTERLY LINE A DISTANCE OF 199.23 FEET TO ITS INTERSECTION WITH THE NORTH LINE OF THE SOUTH 33 FEET OF SAID LOT 1; THENCE WEST ALONG THE NORTH LINE OF THE SOUTH 33 FEET OF SAID LOT 1 AND OF SAID LOT 2 A DISTANCE OF 218.865 FEET TO AN INTERSECTION WITH THE EAST LINE OF THE WEST 20 FEET OF SAID LOT 2; THENCE NORTH ALONG SAID EAST LINE OF THE WEST 20 FEET OF SAID LOT 2 A DISTANCE OF 398.19 FEET TO ITS INTERSECTION WITH THE NORTH LINE OF SAID LOT 2; AND THENCE EAST ALONG THE NORTH LINE OF SAID LOT 2 AND OF SAID LOT 1 A DISTANCE OF 239 FEET TO THE POINT OF BEGINNING

EXCEPTING FROM THE PARCEL OF LAND ABOVE DESCRIBED, THE RESPECTIVE PORTIONS THEREOF LYING VERTICALLY BELOW THE FOLLOWING HORIZONTAL PLANES:

(A) A HORIZONTAL PLANE 18.5 FEET ABOVE CHICAGO CITY DATUM, THE PERIMETER OF WHICH IS DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID PARCEL AND RUNNING THENCE EASTERLY ALONG THE NORTH LINE OF SAID PARCEL TO THE INTERSECTION OF SAID NORTH LINE AND A LINE (THE "LIMITING PLANE LINE") 168 FEET EAST OF AND PARALLEL TO THE WEST LINE OF SAID PARCEL; THENCE SOUTHWARDLY ALONG THE LIMITING PLANE LINE TO THE INTERSECTION OF SAID LINE AND THE SOUTH LINE OF SAID PARCEL; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID PARCEL TO THE SOUTHWEST CORNER THEREOF; THENCE NORTHERLY ALONG THE WEST LINE OF SAID PARCEL TO THE NORTHWEST CORNER OF SAID PARCEL WHICH IS THE POINT OF BEGINNING OF SAID HORIZONTAL PLANE; AND

(B) A HORIZONTAL PLANE 21.0 FEET ABOVE CHICAGO CITY DATUM OVER THE PORTION OF SAID PARCEL WHICH IS NOT VERTICALLY BELOW THE HORIZONTAL PLANE DESCRIBED IN CLAUSE (A) ABOVE

AND EXCEPTING THEREFROM THE BUILDINGS AND IMPROVEMENTS LOCATED THEREON, EXCEPT FOR THE REVERSIONARY INTEREST THEREIN IF THE LEASE REFERRED TO IN EXCEPTION (C) EXPIRES OR IS TERMINATED.

PARCEL 2:

EASEMENT APPURTENANT TO PARCEL 1 AS CREATED BY EASEMENT AND OPERATING AGREEMENT MADE BY CHICAGO UNION STATION COMPANY AND TRIZECHAHN 10/120 FEE LLC, DATED _____ AND RECORDED _____ AS DOCUMENT _____, FOR, AMONG OTHER THINGS, INGRESS AND EGRESS FOR PERSONS, MATERIALS AND EQUIPMENT IN, OVER AND ACROSS ALL LAND AND SPACES BELOW THE HORIZONTAL PLANES DESCRIBED IN PARCEL 1 ABOVE, AND IN, OVER AND ACROSS ALL LAND AND SPACES FALLING IN THAT PART OF LOT 1 IN RAILROAD COMPANIES' RESUBDIVISION, AFORESAID, DESCRIBED ABOVE IN PARCEL 1, BELOW THE HORIZONTAL PLANES DESCRIBED ABOVE IN PARCEL 1, INCLUDING EASEMENTS FOR THE AREA OCCUPIED BY THE COLUMNS, CAISSONS, FOUNDATIONS, GUSSETS AND ALL OTHER SUPPORTING STRUCTURES, FOR THE BUILDING AND IMPROVEMENTS CONSTRUCTED IN PARCEL 1

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AND IN THAT PART OF LOT 1, AND BY ALL OTHER IMPROVEMENTS, PLENUMS, MECHANICAL AND ELECTRICAL EQUIPMENT, PIPES, WIRES, CONDUITS, UTILITIES AND OTHER STRUCTURES LOCATED BELOW SAID HORIZONTAL PLANES IN CONNECTION WITH SAID BUILDING AND IMPROVEMENTS, INCLUDING, BUT NOT LIMITED TO, THE SPACE OCCUPIED BY THE IMPROVEMENTS AND STRUCTURES SHOWN ON THE PLAT OF SURVEY PREPARED AND CERTIFIED BY CHICAGO GUARANTEE SURVEY COMPANY DATED JULY 8, 1966 (CONSISTING OF THREE SHEETS IDENTIFIED AS ORDER NOS. 6311001K AND 6311001S AND 6311001N RESPECTIVELY), WHICH WAS RECORDED AS PART OF DOCUMENT 19881999.

PARCEL 3:

AN EASEMENT APPURTENANT TO PARCEL 1 OVER AND ACROSS THE WEST 20 FEET OF SAID LOT 2 IN SAID RAILROAD COMPANIES' RESUBDIVISION TO CONSTRUCT, USE, MAINTAIN, REPAIR, REPLACE OR RENEW FROM TIME TO TIME SUCH COLUMNS, GUSSETS, TRUSSES, HORIZONTAL STRUCTURAL MEMBERS, CAISSONS, FOUNDATIONS AND OTHER SUPPORTS AS MAY BE REASONABLY NECESSARY OR APPROPRIATE TO MAINTAIN AND SUPPORT THE PLAZA AND OTHER IMPROVEMENTS CONTEMPLATED BY THE EASEMENT AND OPERATING AGREEMENT DESCRIBED IN PARCELS 2 AND 5, INCLUDING, WITHOUT LIMITATION, THE COLUMNS (DESIGNATED 'DD') AND THE CAISSONS, FOUNDATIONS AND RELATED STRUCTURES SHOWN ON THE PLAT OF SURVEY REFERRED TO IN PARCEL 2 ABOVE.

PARCEL 4:

A NONEXCLUSIVE APPURTENANT EASEMENT IN FAVOR OF THE LEASEHOLD INTEREST IN PARCEL 1, THEIR SUCCESSORS AND ASSIGNS, INCLUDING, WITHOUT LIMITATION, CHICAGO UNION STATION COMPANY AND THE PENN CENTRAL CORPORATION, AS THEIR INTERESTS MAY APPEAR UPON EXPIRATION OR OTHER TERMINATION OF THE AIR RIGHTS LEASEHOLDS, AS CREATED BY DEED OF EASEMENT DATED JANUARY 16, 1990 AND RECORDED JANUARY 31, 1990 AS DOCUMENT 90047309 FOR THE USE OF 1,100 PUBLIC PARKING SPACES IN THE GARAGE, AS DEFINED THEREIN, WITH RIGHTS OF INGRESS AND EGRESS AND AN EASEMENT FOR THE PURPOSE OF CONSTRUCTION OF SUCH REPAIRS OR RESTORATION FOR A PERIOD REQUIRED TO COMPLETE SUCH REPAIRS OR RESTORATION ON, OVER AND ACROSS THE FOLLOWING DESCRIBED LEGAL DESCRIPTION: LOTS 5, 6, 7, AND 8 (EXCEPT FROM SAID LOTS THAT PART FALLING IN ALLEY) IN BLOCK 49 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AS AMENDED BY FIRST AMENDMENT TO DEED OF EASEMENT RECORDED OCTOBER 9, 1990, AS DOCUMENT NUMBER 90491486.

PARCEL 5:

EASEMENTS FOR THE BENEFIT OF PARCEL 1 AS FOLLOWS: FOR INGRESS AND EGRESS, AND 1) TO MAINTAIN, SO LONG AS THEY EXIST, SUCH INCIDENTAL ENCROACHMENTS OF THE BUILDING OR OTHER IMPROVEMENTS, AS THEY NOW EXIST OR ARE FROM TIME TO TIME REBUILT OR REPLACED IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT, FROM THE LAND DESCRIBED IN PARCEL 1 INTO THE LOWER PARCEL, AND 2) TO, FROM TIME TO TIME, TEMPORARILY USE THE LOWER PARCEL AS NEEDED FOR CONSTRUCTION AND STAGING PURPOSES TO REPAIR, MAINTAIN, RECONSTRUCT OR REPLACE (A) THE BUILDING OR OTHER IMPROVEMENTS ON THE LAND DESCRIBED IN PARCEL 1, OR (B) THE FOUNDATIONS OR OTHER FACILITIES SUBJECT TO EASEMENTS CREATED AND GRANTED BY THAT CERTAIN EASEMENT AND OPERATING AGREEMENT MADE BY AND BETWEEN CHICAGO UNION STATION COMPANY AND TRIZECHAHN 10/120 FEE LLC, AND RECORDED _____ AS DOCUMENT _____, IN, OVER AND ACROSS CERTAIN ADJOINING LAND MORE PARTICULARLY DESCRIBED THEREIN, IN COOK COUNTY, ILLINOIS.

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SCHEDULE B

IDENTIFIED DOCUMENTS

1. Easement and Operating Agreement dated in November, 2001, between Chicago Union Station Company ("CUSCO") and Borrower, relating to 10 South Riverside Plaza, Chicago, Illinois.
2. Easement and Operating Agreement dated in November, 2001, between CUSCO and Borrower, relating to 120 South Riverside Plaza, Chicago, Illinois.
3. Master Lease dated April 19, 1989, between CUSCO and LaSalle National Bank as Trustee Under Trust Agreement dated December 1, 1983, and known as Trust No. 107361, relating to 10 South Riverside Plaza, Chicago, Illinois, as amended by two side letters dated April 19, 1989.
4. Master Lease dated April 19, 1989, between CUSCO and LaSalle National Bank as Trustee Under Trust Agreement dated December 1, 1983, and known as Trust No. 107362, relating to 120 South Riverside Plaza, Chicago, Illinois, as amended by two side letters dated April 19, 1989.
5. Parking Easement created by Deed of Easement dated January 16, 1990, recorded January 31, 1990, as Document Number 90047309.

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