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Cook County Recorder 61.50



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

Dated: As of November 30, 2001

**IN THE AMOUNT OF
\$40,000,000.00**

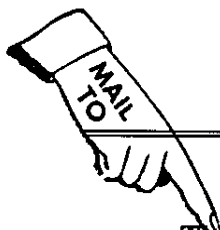
MADE BY

**Park Alexandria LLC
an Illinois limited liability company f/k/a
having an address at
c/o Fifield Real Estate
20 North Wacker Drive
Chicago, Illinois 60606**

*Jefferson/Clinton LLC,
an Illinois limited liability
company*

IN FAVOR OF

**National City Bank of Michigan/Illinois
2021 Spring Road, Suite 600
Oak Brook, Illinois 60523**



**This instrument was prepared by and
after recording should be returned to:
Katten Muchin Zavis
525 West Monroe Street, Suite 1600
Chicago, Illinois 60661-3693
Attention: Gregory P. L. Pierce, Esq.**

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

THIS MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS, FINANCING STATEMENT AND FIXTURE FILING ("**Mortgage**") is made as of November 30, 2001 by Park Alexandria LLC, an Illinois limited liability company ("**Borrower**"), having an address as set forth in Section 17 below, to National City Bank of Michigan/Illinois, having an address as set forth in Section 17 below (National City Bank of Michigan/Illinois and its successors and assigns are hereinafter referred to as "**Lender**"). An index of defined terms is attached hereto as Schedule 1.

Formerly known as Jefferson/Clinton LLC, an Illinois limited liability company

RECITALS

A. Borrower and Lender have entered into that certain Construction Loan Agreement of even date herewith (said Loan Agreement, as amended or modified from time to time, is hereinafter referred to as the "**Loan Agreement**"), pursuant to which, among other things, Lender has agreed, subject to the terms set forth in the Loan Agreement, to make a construction loan to Borrower in the aggregate principal amount of Forty Million Dollars (\$40,000,000.00) ("**Loan**"). The Loan is evidenced by that certain Note of even date herewith in the original principal amount of Forty Million Dollars (\$40,000,000.00) (which Note, together with all notes issued in substitution or exchange therefor, and/or as any of the foregoing may be amended or modified from time to time, is hereinafter referred to as the "**Note**") providing for monthly payments as set forth therein and with the final principal thereof due and payable on May 30, 2004 (said date, or any earlier date on which the entire unpaid principal amount shall be paid or required to be paid in full, whether by prepayment, acceleration or otherwise, is hereinafter referred to as the "**Maturity Date**").

B. Lender wishes to secure (i) the prompt payment of the Note, together with all interest thereon in accordance with the terms of the Note, as well as the prompt payment of any additional indebtedness accruing to Lender on account of any future payments, advances or expenditures made by Lender pursuant to the Note, this Mortgage, or any other document, instrument or agreement evidencing, securing or otherwise related to the payment of the indebtedness evidenced by the Note (the Note, this Mortgage, and all other documents, instruments, and agreements evidencing or securing the indebtedness evidenced by the Note or in connection therewith, and any modification, renewal, or extension thereof, are hereinafter collectively referred to as the "**Loan Documents**"), and (ii) the prompt performance of each and every covenant, condition, and agreement now or hereafter arising contained in the Loan Documents of Borrower. All payment obligations of Borrower under the Loan Documents (including repayments of protective advances made by Lender) are hereinafter sometimes collectively referred to as the "**Indebtedness**", and all other obligations of Borrower under the Loan Documents are hereinafter sometimes collectively referred to as the "**Obligations**".

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GRANT:

NOW, THEREFORE, TO SECURE TO LENDER the repayment of the Indebtedness and performance of the Obligations, Borrower has executed this Mortgage and does hereby irrevocably mortgage, grant, assign, warrant, transfer and pledge to Lender a first lien and security interest in and to the following described property and all proceeds thereof (which property and proceeds are hereinafter sometimes collectively referred to as the "Property"):

A. The real estate described in Exhibit A attached hereto and made a part hereof (the "Land").

B. Any and all buildings and improvements now or hereafter owned by Borrower and erected on the Land, construction, reconstruction, alteration and repairs of such improvements now or hereafter erected thereon, including, but not limited to, the fixtures, attachments, appliances, equipment, machinery, and other articles owned by Borrower and attached to said buildings and improvements and all tangible personal property owned by Borrower now or any time hereafter located on or at the Land or used in connection therewith, including, all goods, machinery, tools, equipment (including fire sprinklers and systems, air conditioning, heating, boilers, refrigerating, electronic monitoring, water, lighting, power, sanitation, waste removal, entertainment, recreational, window or structural cleaning rigs, maintenance and all other equipment of every kind), lobby and all other indoor or outdoor furniture (including tables, chairs, planters, desks, sofas, shelves, lockers and cabinets), furnishings, appliances, inventory, rugs, carpets and other floor coverings, draperies, drapery rods and brackets, awnings, venetian blinds, partitions, chandeliers and other lighting fixtures, and all other fixtures, apparatus, equipment, furniture, furnishings, and articles used in connection with the operation and construction of the condominium units located on the Land, and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to any of said buildings or improvements in any manner; it being understood that the enumeration of any specific articles of property shall in no way result in or be held to exclude any items of property not specifically mentioned.

C. All easements, rights of way, strips and gores of land, vaults, streets, alleys, water rights, mineral rights, and rights used in connection with the Land or to provide a means of access to the Land, or to provide service thereto, privileges, franchises, development, air and other rights and appendages now or in the future belonging to or in any way appertaining to the Land, including all tenements, hereditaments and appurtenances thereof and thereto pertaining or belonging, and all underground and overhead passageways and licenses in connection therewith.

D. All leasehold estates, right, title and interest of the Borrower in any and all leases, subleases, management agreements, arrangements, concessions, or agreements, written or oral, relating to the use and occupancy of the Land and improvements or any portion thereof located thereon, now or hereafter existing or entered into, as any of the foregoing may be amended, extended, renewed, replaced or modified from time to time.

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E. All the rents, issues and profits thereof under present or future leases, or otherwise, which are hereby specifically assigned, transferred and set over to Lender, including, but not limited to, all cash or securities deposited under any such leases to secure performance by the tenants of their obligations thereunder, whether said cash or securities are to be held until the expiration of the terms of such leases or applied to one or more of the installments of rent coming due thereunder.

F. All the estate, interest, right, title, other claim or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Borrower now has or may hereinafter acquire in the Property, and any and all awards made for the taking by eminent domain, or by any proceedings or purchase in lieu thereof, of the whole or any part of the Property, including any awards resulting from the change of grade of streets and awards for severance damages.

G. All of Borrower's rights in and to all trademarks, tradenames, assumed names, and other rights and interests in and to the names and marks used by Borrower in connection with the Land or improvements existing thereon from time to time, including all rights in the name **[Park Alexandria]**.

H. Any monies on deposit with or for the benefit of Lender, including any deposits for the payment of real estate taxes and insurance premiums.

I. All permits, operational licenses, environmental approvals or any other approvals, licenses or permits from any governmental or quasi-governmental authority having jurisdiction over the Property.

TOGETHER WITH ALL OTHER PROPERTY (REAL OR PERSONAL) OWNED BY BORROWER FROM TIME TO TIME.

TO HAVE AND TO HOLD the Property and all parts thereof, together with the rents, issues, profits and proceeds thereof, unto Lender for Lender's own proper use, benefit, and advantage forever, subject, however, to the terms, covenants, and conditions herein.

To the extent permitted by law, all of the land, estate and property hereinabove described as Property, whether real, personal and mixed, whether affixed or annexed or not (except where otherwise hereinabove specified) and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared to form a part and parcel of the real estate and to be appropriated to the use of the real estate, and shall for the purposes of this Mortgage be deemed to be real estate and conveyed, mortgaged and encumbered hereby.

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FURTHER AGREEMENTS:

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. Ownership of Property. Borrower covenants that (i) it is lawfully seized of the Property, (ii) that the same are subject only to the liens, encumbrances, conditions, restrictions, easements, leases, and other matters, rights or interests disclosed in Schedule B (or an equivalent section or portion) of the title insurance policy delivered to Lender (herein collectively called the "Permitted Exceptions"), and (iii) that it has good right, full power and lawful authority to convey and mortgage and encumber the same, and that it will warrant and forever defend said Property and the quiet and peaceful possession of the same against the lawful claims of all persons whomsoever. Borrower is the record owner of the Land.

2. Maintenance, Repair and Restoration of Improvements, Payment of Liens, Etc. Borrower shall (a) subject to the terms of Section 3 below, promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Property which may become damaged or be destroyed; (b) keep the Property in good condition and repair, without waste, normal wear and tear excepted, and free from mechanics liens or other liens or claims for lien; provided, however, that Borrower shall have the right to contest in good faith and with reasonable diligence the validity of any such lien or claim upon (i) furnishing to a title insurance company approved by Lender such security or indemnity as may be required to induce said title insurance company to issue its title insurance commitments or endorsements to its mortgage title insurance policies insuring against all such claims or liens, or (ii) establishing adequate reserves therefor in accordance with sound accounting principles used by Borrower on the date thereof; (c) pay when due any indebtedness which may be secured by a lien or charge on the Property and comply with all requirements of all loan documents evidencing or securing such indebtedness, and, upon request, exhibit satisfactory evidence of the discharge of such prior lien to Lender; (d) not initiate or formally agree to any adverse zoning variation or reclassification for or of the Property without Lender's written consent; (e) pay each item of Indebtedness when due; and (f) suffer or permit no change in the general nature of the occupancy of the Property as a residential condominium complex without Lender's prior written consent.

3. Adjustment of Losses with Insurer and Application of Proceeds of Insurance.

(a) Borrower may take the primary role in adjusting insurance claims but shall settle claims only with Lender's approval. If (i) no Event of Default exists hereunder at the time of such fire or casualty and at the time such proceeds would be disbursed; (ii) the Property can be restored to economic viability within a reasonable period of time but in any event no later than one hundred eighty (180) days prior to the Maturity Date; (iii) none of the [reservations/contracts] in effect at the time of such casualty is terminated by reason of such casualty except for [reservations/contracts] to be terminated by Borrower with the consent of Lender; and (iv) Borrower complies with all conditions set forth in subsection 3(b) below; the Borrower shall be entitled to use the proceeds of settlement of fire and casualty insurance claims to rebuild the

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Property. In all other cases, Lender shall have the right (but not the obligation) to collect, retain and apply to the Indebtedness all insurance proceeds (after deduction of all expense of collection and settlement, including attorneys' and adjusters' fees and expenses), and if such proceeds are insufficient to pay such amount in full, to declare the balance remaining unpaid of the Indebtedness to be due and payable forthwith and to avail itself of any of the remedies afforded hereby as in the case of any default beyond applicable cure periods expressly given hereunder. Any proceeds remaining after application to the Indebtedness shall be paid by Lender to the party then entitled thereto.

(b) If Lender does not elect or is not entitled to apply fire or casualty insurance proceeds to the Indebtedness, Lender shall direct that such proceeds, after deduction of all expenses of collection and settlement, including attorneys' and adjusters' fees and expenses, be deposited into an escrow, for release to Borrower periodically, provided that Borrower shall:

(i) Expediently repair and restore all damage to the portion of the Property in question resulting from such fire or other casualty; and

(ii) If the proceeds of fire or casualty insurance are, in Lender's good faith judgment, insufficient to complete the repair and restoration of the buildings, structures and other improvements constituting the Property, then Borrower shall promptly deposit into the applicable escrow the amount of such deficiency.

(c) Borrower hereby waives the provisions of any law prohibiting Lender from making an election to apply the proceeds to the Indebtedness or to the restoration of the Property. If the net proceeds of the condemnation award are made available to Borrower for restoration or repair, the net proceeds of the condemnation award shall be disbursed upon satisfaction of and in accordance with the terms and conditions set forth in this Section 3.

4. Prepayment Privilege. Borrower shall have the privilege of making prepayment on the principal of the Note, in whole or in part, only in accordance with the terms and conditions set forth in the Note.

5. Effect of Extensions of Time and Amendments. If the payment of the Indebtedness or any part thereof is extended or varied or if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in the Property, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse, if any, against all such persons being expressly reserved by Lender, notwithstanding such extension, variation or release. Any person or entity taking a junior mortgage or other lien upon the Property or any interest therein, shall take said lien subject to the rights of Lender herein to amend, modify, and supplement this Mortgage, the Note, the Loan Documents, or any other document or instrument evidencing, securing, or guaranteeing the Indebtedness and/or Obligations and to vary the rate of interest and the method of computing the same, and to impose additional fees and other charges, and to extend the maturity of said Indebtedness and/or Obligations, and to grant partial releases of the lien of this Mortgage, in each and every case without obtaining the consent of the holder of such junior lien

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and without the lien of this Mortgage losing its priority over the rights of any such junior lien. Nothing in this Section 5 contained shall be construed as waiving any provision contained herein which provides, among other things, that it shall constitute an Event of Default if the Property be sold, conveyed, or encumbered.

6. Stamp Tax. If, by the laws of the United States of America, or of any state or political subdivision having jurisdiction over Borrower, any tax is due or becomes due in respect of the issuance of the Note, or recording of this Mortgage and such tax is not imposed in lieu of income taxes or franchise taxes imposed on Lender, Borrower covenants and agrees to pay such tax in the manner required by any such law. Borrower further covenants to hold harmless and agrees to indemnify Lender, its successors or assigns, against any liability incurred by reason of the imposition of any tax on the issuance of the Note, or recording of this Mortgage, unless such tax is imposed in lieu of income taxes or franchise taxes imposed on Lender.

7. Effect of Changes in Laws Regarding Taxation. In the event of the enactment after this date of any law of the State of Illinois or any political subdivision thereof deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon Lender the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Borrower, or changing in any way the laws relating to the taxation of mortgages or debts secured by Lenders or the Lender's interest in the Property, or the manner of collection of taxes, so as to adversely affect this Mortgage or the debt secured hereby or the Lender, then, and in any such event, Borrower, upon demand by Lender, shall pay such taxes or assessments, or reimburse Lender therefor; provided, however, that if in the good faith opinion of counsel for Lender (a) it is unlawful to require Borrower to make such payment or (b) the making of such payment will result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, Lender may elect, by notice in writing given to Borrower, to declare all of the Indebtedness to be and become due and payable one hundred twenty (120) days from the giving of such notice.

8. Leases of Property/Absolute Assignment, License to Receive and Apply Rents. The parties intend that this Mortgage grants a present, absolute, and unconditional assignment of the rents, issues and profits generated by or from the Property and shall, immediately upon execution, give Lender the right to collect the rents, issues and profits and to apply them in payment of the principal, interest and all other sums payable under the Loan Documents. Such assignment and grant shall continue in effect until the Indebtedness is paid in full and all Obligations are fully satisfied. Subject to the provisions set forth herein and provided there is no Event of Default, Lender grants to Borrower a revocable license to enforce the leases and other agreements and licenses related to the use of the Property and collect the rents, issues and profits as they become due and Borrower shall hold the same, in trust, to be applied first to the payment of all impositions, levies, taxes, assessments and other charges upon the Property, second to maintenance of insurance policies upon the Property required by the Loan Documents, third to the expenses of Property operations, including maintenance and repairs required hereby, fourth to the payment of that portion of the Indebtedness then due and payable, and fifth, the balance, if any, to or as directed by Borrower. Borrower shall deliver such rents, issues and profits to

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Lender as are necessary for the payment of principal, interest and other sums payable under the Loan Documents as such sums become due.

9. Acceleration of Indebtedness in Case of Default. Each of the following events shall be deemed an "Event of Default" hereunder:

(a) failure of Borrower to pay any Indebtedness secured by or due under this Mortgage, or

(b) failure to perform or observe any of the Obligations contained in Section 2 or Section 24 of this Mortgage and such default continues unremedied for a period of twenty (20) days after written notice from Lender to Borrower;

(c) failure to perform or observe any of the Obligations contained in this Mortgage in accordance with the terms hereof (other than and specifically excluding any Obligation the breach of which is covered by another subsection of this Section 9), and such default continues unremedied for a period of thirty (30) days after written notice from Lender to Borrower (unless such default cannot with due diligence be cured within thirty (30) days but can be cured within a reasonable period, in which case no Event of Default shall be deemed to exist so long as Borrower shall have commenced to cure the default within thirty (30) days after receipt of notice, and thereafter diligently and continuously prosecutes such cure to completion and such cure occurs within sixty (60) days after Borrower's original receipt of notice); or

(d) any default shall have occurred under the Note, Loan Agreement or any other Loan Documents and such default shall not have been cured within the applicable grace period provided therefor, if any.

Upon the occurrence of an Event of Default, the Indebtedness, at the option of the Lender, shall become immediately due and payable without notice to Borrower, and Lender shall be entitled to all of the rights and remedies provided in the Loan Documents or at law or in equity. Each remedy provided in the Loan Documents is distinct and cumulative to all other rights or remedies under the Loan Documents or afforded by law or equity, and may be exercised concurrently, independently, or successively, in any order whatsoever.

10. Entry; Foreclosure; Remedies. Upon the occurrence of an Event of Default, (a) Borrower, upon demand of Lender, shall forthwith surrender to Lender the actual possession, or to the extent permitted by law, Lender itself, or by such officers or agents as it may appoint, may enter and take possession of all or any part of the Property, and may exclude Borrower and its agents and employees wholly therefrom, and may have joint access with Borrower to the books, papers and accounts of Borrower; and (b) if Borrower shall for any reason fail to surrender or deliver the Property or any part thereof after such demand by Lender, Lender may obtain a judgment or decree conferring on Lender the right to immediate possession or requiring the delivery to Lender of the Property, and Borrower specifically consents to the entry of such judgment or decree. Upon every such entering upon or taking of possession, Lender may hold, store, use, operate, manage and control the Property and conduct the business thereof. Lender

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shall have no liability for any loss, damage, injury, cost or expense resulting from any action or omission by it or its representatives which was taken or omitted in good faith.

Upon occurrence of an Event of Default, Lender may, either with or without entry or taking possession as herein provided or otherwise, proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy to (a) enforce payment of the Note or the performance of any term, covenant, condition or agreement of Borrower under any of the Loan Documents, (b) foreclose the lien hereof for the Indebtedness or part thereof and sell the Property as an entirety or otherwise, as Lender may determine, and/or (c) pursue any other right or remedy available to it under or by the law and decisions of the State in which the Land is located. The failure to join any tenant or tenants of the Property as party defendant or defendants in any foreclosure action or the failure of any such order or judgment to foreclose their rights shall not be asserted by the Borrower as a defense in any civil action instituted to collect the Indebtedness, or any part thereof, any statute or rule of law at any time existing to the contrary notwithstanding.

Upon the occurrence of an Event of Default, then, without notice to or the consent of Borrower, Lender shall be entitled to exercise all of the rights and remedies contained in this Mortgage or in any other Loan Document or otherwise available at law or in equity including the right to do any one or more of the following:

- (a) To enter upon, take possession of and manage the Property for the purpose of collecting the rents, issues and profits generated from the Property;
- (b) To require Borrower to hold all rents, issues and profits generated by or from the Property collected in trust for the benefit of Lender;
- (c) Dispossess by the usual summary proceedings any Tenant defaulting in the payment of rent to Borrower;
- (d) Lease the Property or any part thereof;
- (e) Repair, restore, and improve the Property;
- (f) Apply the rents, issues and profits generated by or from the Property after payment of Property expenses as determined by Lender to the Indebtedness; and
- (g) Apply to any court of competent jurisdiction for specific performance of this Mortgage, an injunction against the violation hereof and/or the appointment of a receiver.

11. Expenditures and Expenses. In any civil action to foreclose the lien hereof or otherwise enforce Lender's rights, there shall be allowed and included as additional Indebtedness in the order or judgment for foreclosure and sale or other order all expenditures and expenses which may be paid or incurred by or on behalf of Lender including attorneys' fees, including all fees and costs incurred before or at trial, on appeal, in bankruptcy or in post judgment collection, costs and expenses, receiver's fees, costs and expenses, appraiser's fees, engineers' fees, outlays for

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documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimates as to items to be expended after entry of said order or judgment) of procuring all such abstracts of title, title searches and examination, title insurance policies, Torrens' Certificates and similar data and assurances with respect to the title as Lender may deem reasonably necessary either to prosecute such civil action or to evidence to bidders at any sale which may be had pursuant to such order or judgment the true condition of the title to, or the value of, the Property (said expenditures and expenses are hereinafter collectively referred to as the "**Reimbursable Expenses**"). All Reimbursable Expenses, and such costs, expenses and fees as may be incurred by Lender at any time or times hereafter in the protection of the Property, in enforcing the Obligations, and/or the maintenance of the lien established by any of the Loan Documents, including accountants' and attorneys' fees, costs and expenses in any advice, litigation, or proceeding affecting the Loan Documents or the Property, whether instituted by Lender, Borrower or any other party, or in preparation for the commencement or defense of any action or proceeding or threatened action or proceeding, shall be immediately due and payable to Lender by Borrower and shall be secured by the Loan Documents.

In addition to the foregoing award of attorneys' fees and costs, Lender shall be entitled to its attorneys' fees and costs incurred in any post-judgment proceedings to collect or enforce any judgment or order relating to this Mortgage, the Note secured hereby or the other Loan Documents. This provision is separate and several and shall survive the merger of this provision into any judgment.

12. Application of Proceeds of Foreclosure Sale. The proceeds of any foreclosure sale of the Property shall be distributed and applied in the order of priority set forth in the Note with the excess, if any, being applied to any parties entitled thereto as their rights may appear.

13. Appointment of Receiver or Lender in Possession. If an Event of Default is continuing or if Lender shall have accelerated the Indebtedness, Lender, upon application to a court of competent jurisdiction, shall be entitled as a matter of strict right, without notice, and without regard to the occupancy or value of any security for the Indebtedness or the insolvency of any party bound for its payment, to the appointment of a receiver or the appointment of Lender to take possession of and to operate the Property, and to collect and apply the rents, issues, profits and revenues thereof.

14. Lender's Right of Inspection. Lender shall have the right to inspect the Property at all reasonable times upon prior notice to Borrower and access thereto shall be permitted for that purpose.

15. Condemnation. Borrower, immediately upon obtaining knowledge of the institution of any proceedings for the condemnation of the Property or any portion thereof, shall notify Lender of the pendency of such proceedings. Lender may participate in any such proceedings, and Borrower from time to time shall deliver to Lender all instruments Lender requests to permit such participation. In any such condemnation proceedings, Lender may be represented by counsel selected by Lender, whose fees shall be paid from the condemnation award. The proceeds ("**Condemnation Proceeds**") of any award or any claim for damages for any of the Property taken

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or damaged under the power of eminent domain or by condemnation or any transaction in lieu of condemnation ("**Condemnation**") is hereby assigned to and shall be paid to Lender, provided that if the Condemnation Proceeds are less than \$100,000, such Condemnation Proceeds may be paid directly to Borrower. If Borrower satisfies the requirements of Section 3 hereof pertaining to casualty proceeds, the Condemnation Proceeds shall be used to reimburse Borrower for the cost of rebuilding or restoring of buildings or improvements on the Property, provided no Event of Default exists under this Mortgage. In all other cases Lender shall have the right, at its option, to apply the Condemnation Proceeds upon or in reduction of the Indebtedness, whether due or not, and if the same are insufficient to pay such amount in full, Lender may at its option declare the balance remaining unpaid on the Note and this Mortgage to be due and payable forthwith and avail itself of any of the remedies provided herein or in the Note as in the case of a default. If the Condemnation Proceeds are required to be used as aforesaid for the cost of rebuilding or restoring buildings or improvements on the Property, or if Lender elects that the Condemnation Proceeds be so used, and the buildings and other improvements shall be rebuilt or restored, the Condemnation Proceeds shall be paid out in the same manner as is provided in Section 3 hereof for the payment of insurance proceeds toward the cost of rebuilding or restoration of such buildings and other improvements subject to the same right, after the occurrence of an Event of Default, to be relieved of any obligation for reimbursement of Borrower, as provided in Section 3 hereof. Any surplus which may remain out of the Condemnation Proceeds after payment of such cost of rebuilding or restoration shall, at the option of Lender, be applied on account of the Indebtedness or be paid to any other party entitled thereto.

16. Release. If Borrower shall fully pay all Indebtedness and comply with and satisfy all Obligations; Lender shall satisfy this Mortgage and the lien thereof by proper instrument upon payment and discharge of all Indebtedness and payment of any filing fee in connection with such satisfaction.

17. Notices. Any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing, addressed as follows and shall be deemed to have been properly given if hand delivered, if sent by reputable overnight courier (effective the business day following delivery to such courier) or if mailed (effective two business days after mailing) by United States registered or certified mail, postage prepaid, return receipt requested:

If to Borrower:

Park Alexandria LLC
c/o Fifield Realty Corp.
20 North Wacker Drive
Chicago, Illinois 60606
Attention: Steven D. Fifield
Richard Blum
Telecopy: (312) 855-1719

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with a copy to:

Joel M. Carlins and Associates, Ltd.
One West Superior Street
Suite 200
Chicago, Illinois 60610
Attention: Chad Middendorf
Telecopy: (312) 642-2773

If to Lender:

National City Bank of Michigan/Illinois
2021 Spring Road
Suite 600
Oak Brook, Illinois 60523
Attention: R. Lawrence Johnson
Telecopy: (630) 954-3735

with a copy to:

Katten Muchin Zavis
525 West Monroe Street
Suite 1600
Chicago, Illinois 60661-3693
Attention: Gregory P. L. Pierce, Esq.
Telecopy: (312) 902-1061

or at such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice. Notices given in any other fashion shall be deemed effective only upon receipt.

18. Waiver of Statutory Rights. To the extent permitted by law, Borrower hereby agrees that it shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "**Moratorium Laws**", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Borrower for itself and all who may claim through or under it waives any and all right to have the Property and estates comprising the Property marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety. Borrower hereby waives any and all rights of redemption from sale under any judgment of foreclosure of this Mortgage on behalf of Borrower and on behalf of each and every person acquiring any interest in or title to the Property of any nature whatsoever, subsequent to the date of this Mortgage. To the extent permitted by law, Borrower hereby waives any statute of limitations applicable to this Mortgage.

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19. Estoppel Affidavits. Borrower, within ten (10) business days after written request from Lender, shall furnish a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the indebtedness secured hereby and whether or not it is then aware of any offsets or defense existing against such indebtedness, and covering such other matters as Lender may reasonably require.

20. Binding on Successors and Assigns. This Mortgage and all provisions hereof shall be binding upon Borrower and all persons claiming under or through Borrower, and shall inure to the benefit of the holders from time to time of the Note and of the successors and assigns of the Lender.

21. Captions. The captions and headings of various sections of this Mortgage are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

22. Use of Terms. All personal pronouns used in this Mortgage, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural and vice versa and shall refer solely to the parties signatory thereto except where otherwise specifically provided. The words "include", "includes", "including" and any other derivation of "include" means "including but not limited to" unless specifically set forth to the contrary.

23. Incorporation of Loan Agreement. The terms and provisions of the Loan Agreement are incorporated herein by express reference. All Indebtedness arising and accruing under the Loan Agreement from time to time may exceed the face amount of the Note, shall be secured hereby to the same extent as though said Loan Agreement were fully incorporated in this Mortgage, and the occurrence of any Event of Default under said Loan Agreement shall constitute an Event of Default under this Mortgage entitling Lender to all of the rights and remedies conferred upon Lender by the terms of this Mortgage. Borrower hereby agrees to comply with all covenants and fulfill all obligations set forth in the Loan Agreement and pertaining to the Property. In the event of any conflict or inconsistency between the terms of this Mortgage and the Loan Agreement, the terms and provisions of the Loan Agreement shall in each instance govern and control.

24. Security Agreement and Financing Statements. This Mortgage shall constitute a security agreement pursuant to the Uniform Commercial Code for any of the items specified herein as part of the Property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Borrower hereby grants Lender a security interest in said items. Any reproduction of or supplements or amendments to this Mortgage or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Borrower agrees to execute and deliver to Lender any financing statements, as well as extensions, renewals and amendments thereof, and reproductions of this Mortgage in such form as Lender may require to perfect a security interest with respect to said items or to otherwise protect or perfect the first lien against the Land and Property. Borrower shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements

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Lender may reasonably require. Lender shall have the remedies of a secured party under the Uniform Commercial Code.

25. Partial Invalidity; Maximum Allowable Rate of Interest. Borrower and Lender intend and believe that each provision in this Mortgage and the Note comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Mortgage or the Note is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions of this Mortgage and the Note to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent both of Borrower and Lender that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Mortgage and the Note shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the rights, obligations and interest of Borrower and Lender under the remainder of this Mortgage and the Note shall continue in full force and effect. All agreements herein and in the Note are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement of the proceeds hereof, acceleration of maturity of the unpaid principal balance of the Note, or otherwise, shall the amount paid or agreed to be paid to the holders for the use, forbearance or detention of the money to be advanced hereunder exceed the highest lawful rate permissible under applicable usury laws. If, from any circumstances whatsoever, fulfillment of any provision hereof or of the Note or any other agreement referred to herein, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity and if from any circumstance the holders shall ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance due under the Note and not to the payment of interest.

26. Applicable Law. THIS MORTGAGE WAS MADE BY BORROWER AND ACCEPTED BY LENDER IN THE STATE OF ILLINOIS, AND THE PROCEEDS OF THE INDEBTEDNESS SECURED HEREBY WERE DISBURSED FROM ILLINOIS, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND THE SECTION EMBODIED HEREBY. IN ALL RESPECTS, INCLUDING, WITHOUT LIMITATION, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS MORTGAGE AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF ILLINOIS APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS) AND ANY APPLICABLE LAWS OF THE STATES OF AMERICA, EXCEPT WITH RESPECT TO THE PROVISIONS HEREOF WHICH RELATE TO THE CREATION, VALIDITY, PERFECTION, PRIORITY AND ENFORCEABILITY OF THE LIEN AND SECURITY INTEREST CREATED BY THIS MORTGAGE, AND ANY WARRANTIES OF TITLE CONTAINED HEREIN WITH RESPECT TO THE PROPERTY WHICH SHALL BE GOVERNED BY THE LAWS OF

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THE STATE OF ILLINOIS, AND THE PROVISIONS HEREOF RELATING TO THE REALIZATION OF THE SECURITY COVERED BY THIS MORTGAGE WHICH SHALL BE GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS, IT BEING UNDERSTOOD THAT THE LAW OF THE STATE OF ILLINOIS SHALL GOVERN THE VALIDITY AND ENFORCEABILITY OF THE NOTE AND OTHER LOAN DOCUMENTS, AND THE INDEBTEDNESS OR OBLIGATIONS ARISING THEREUNDER UNLESS OTHERWISE PROVIDED THEREIN.

27. Declaration of Subordination. At the option of Lender, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any Condemnation Proceeds), to any and all leases of all or any part of the Property upon the execution by Lender and recording thereof, at any time hereafter in the appropriate official records of the County wherein the Property are situated, of a unilateral declaration to that effect. At Borrower's request, Lender shall execute and deliver from time to time subordination, non-disturbance and attornment agreements with and to tenants of portions of the Property on terms reasonably acceptable to Lender provided Lender has approved the terms of such tenant's lease.

28. No Offsets. No offset or claim that Borrower now has or may have in the future against Lender shall relieve Borrower from paying any amounts due under the Note or hereunder or from performing any other obligations contained herein or secured hereby. Borrower reserves the right to recover from Lender through separate proceedings any amounts to which it is lawfully entitled, as determined by a court of competent jurisdiction.

29. Modification; Waiver. No modification, waiver, amendment, discharge or change of this Mortgage shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge or change is sought.

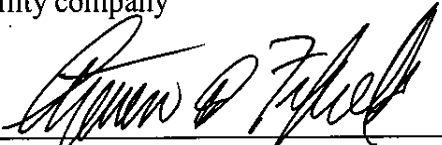
30. Waiver of Jury Trial. BORROWER AND LENDER EACH WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS MORTGAGE OR RELATING THERETO OR ARISING FROM THE BANKING RELATIONSHIP WHICH IS THE SUBJECT OF THIS MORTGAGE AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. LENDER'S ACCEPTANCE OF THIS MORTGAGE SHALL CONSTITUTE ITS AGREEMENT TO BE BOUND BY THE PROVISIONS OF THIS SECTION 30.

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IN WITNESS WHEREOF, Borrower has caused these presents to be signed on the day and year first above written, pursuant to authority contained in its Operating Agreement.

PARK ALEXANDRIA LLC, an Illinois limited liability company

By: FRC Jefferson LLC, an Illinois limited liability company

By: 

Name: Steven D. Fifield

Its: Manager

By: Magellan Alexandria LLC, an Illinois limited liability company

By: 

Name: Joel Carlins

Its: Manager

Property of Cook County Clerk's Office

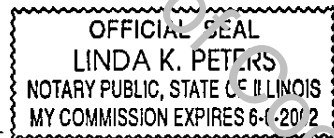
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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

BEFORE ME, a Notary Public in and for said County and State, personally appeared Steven Fifield by me known to be the Manager of FRC Jefferson LLC, an Illinois limited liability company, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Manager of such limited liability company, and who, being duly sworn, stated that he, being authorized so to do, signed and delivered the foregoing Mortgage as such Manager as his own free and voluntary act and as the free and voluntary act of such limited liability company, for the uses and purposes therein set forth.

WITNESS my hand and Notary Seal this 29th day of November, 2001.

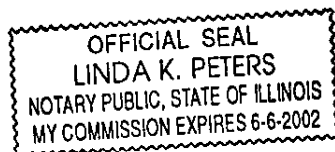


Linda K. Peters
Notary Public

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

BEFORE ME, a Notary Public in and for said County and State, personally appeared Joel Carlin by me known to be the Manager of Magellan Alexandria LLC, an Illinois limited liability company, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Manager of such limited liability company, and who, being duly sworn, stated that he, being authorized so to do, signed and delivered the foregoing Mortgage as such Manager as his own free and voluntary act and as the free and voluntary act of such limited liability company, for the uses and purposes therein set forth.

WITNESS my hand and Notary Seal this 29th day of November, 2001.



Linda K. Peters
Notary Public

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Exhibit A

Parcel 2:

(125 S. Jefferson Street)

(A) All of Lots 1, 2 and 3 except the South 8 feet of said Lot 3, in W.B. Egan's Subdivision of Lots 7 and 8 in Block 47 of School Section Addition to Chicago in Section 16, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

And

(B) All of Lots 8, 9 and 10 in Ward's Subdivision of Lot 1 in Block 47 of School Section Addition to Chicago in Section 16, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

And

(C) All those parts of Lot 7 in said Ward's subdivision of Lot 1 in Block 47, and of Lot 2 in Block 47 of School Section Addition to Chicago, and of Lot 1 in Charles Wesencraft's Subdivision of Lots 3, 4, 5 and 6 in Block 47 of School Section Addition to Chicago, all lying South of a line 124.86 feet South of and parallel with the South line of West Monroe Street, in Section 16, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

And

(D) That part of Lot 9 in Charles Wesencraft's Subdivision of Lots 3, 4, 5 and 6 in Block 47 of School Section Addition to Chicago, lying North of the Easterly extension of the North Line of the South 8 feet of Lot 3 in W.B. Egan's Subdivision of Lots 7 and 8 in Block 47 of School Section addition to Chicago in Section 16, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Tax Parcel Numbers

17-16-107-003

17-16-107-015

17-16-107-004

17-16-107-022

17-16-107-005

17-16-107-006

17-16-107-007

17-16-107-008

17-16-107-009

17-16-107-010

125 S. Jefferson Street, Chicago, IL

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SCHEDULE 1

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