

UNOFFICIAL COPY

RECORDING REQUESTED
BY AND WHEN
RECORDED RETURN TO:

Gregory P.L. Pierce, Esq.
Katten Muchin Zavis Rosenman
525 W. Monroe St., Suite 1600
Chicago, IL 60661-3693



Doc#: 0333604054
Eugene "Gene" Moore Fee: \$118.00
Cook County Recorder of Deeds
Date: 12/02/2003 08:31 AM Pg: 1 of 46

1874 8129187D2AEM

MORTGAGE, SECURITY AGREEMENT AND

FIXTURE FILING

by

ELK GROVE TOWN CENTER, L.L.C.,
an Illinois limited liability company,

as Borrower

to

METROPOLITAN LIFE INSURANCE COMPANY,

a New York corporation,

as Lender

November 14, 2003

47

pin # 08-32-202-021-0000

BOX 333-CT

UNOFFICIAL COPY

TABLE OF CONTENTS

ARTICLE I	GRANT OF SECURITY.....	1
Section 1.01	REAL PROPERTY GRANT.....	1
Section 1.02	PERSONAL PROPERTY GRANT.....	2
Section 1.03	CONDITIONS TO GRANT.....	3
ARTICLE II	BORROWER COVENANTS.....	3
Section 2.01	DUE AUTHORIZATION, EXECUTION, AND DELIVERY.....	3
Section 2.02	PERFORMANCE BY BORROWER.....	4
Section 2.03	WARRANTY OF TITLE.....	4
Section 2.04	TAXES, LIENS AND OTHER CHARGES.....	4
Section 2.05	ESCROW DEPOSITS.....	5
Section 2.06	CARE AND USE OF THE PROPERTY.....	6
Section 2.07	COLLATERAL SECURITY INSTRUMENTS.....	7
Section 2.08	SUITS AND OTHER ACTS TO PROTECT THE PROPERTY.....	7
Section 2.09	LIENS AND ENCUMBRANCES.....	8
Section 2.10	SINGLE PURPOSE ENTITY.....	8
Section 2.11	SPRINKLER HEAD RECALL.....	8
Section 2.12	RECORDED AGREEMENTS.....	8
ARTICLE III	INSURANCE.....	9
Section 3.01	REQUIRED INSURANCE AND TERMS OF INSURANCE POLICIES.....	9
Section 3.02	ADJUSTMENT OF CLAIMS.....	12
Section 3.03	ASSIGNMENT TO LENDER.....	12
ARTICLE IV	BOOKS, RECORDS AND ACCOUNTS.....	12
Section 4.01	BOOKS AND RECORDS.....	12
Section 4.02	PROPERTY REPORTS.....	13
Section 4.03	ADDITIONAL MATTERS.....	13
ARTICLE V	LEASES AND OTHER AGREEMENTS AFFECTING THE PROPERTY.....	13
Section 5.01	BORROWER'S REPRESENTATIONS AND WARRANTIES.....	13
Section 5.02	ASSIGNMENT OF LEASES.....	14
Section 5.03	PERFORMANCE OF OBLIGATIONS.....	14
Section 5.04	SUBORDINATE LEASES.....	15
Section 5.05	LEASING COMMISSIONS.....	15
ARTICLE VI	ENVIRONMENTAL HAZARDS.....	15
Section 6.01	REPRESENTATIONS AND WARRANTIES.....	15
Section 6.02	REMEDIAL WORK.....	16
Section 6.03	ENVIRONMENTAL SITE ASSESSMENT.....	16
Section 6.04	UNSECURED OBLIGATIONS.....	16
Section 6.05	HAZARDOUS MATERIALS.....	16
Section 6.06	REQUIREMENTS OF ENVIRONMENTAL LAWS.....	17

UNOFFICIAL COPY

Section 6.07	COVENANTS	18
ARTICLE VII	CASUALTY, CONDEMNATION AND RESTORATION.....	18
Section 7.01	BORROWER'S REPRESENTATIONS.....	18
Section 7.02	RESTORATION.....	18
Section 7.03	CONDEMNATION.....	19
Section 7.04	REQUIREMENTS FOR RESTORATION	20
ARTICLE VIII	REPRESENTATIONS OF BORROWER	21
Section 8.01	ERISA	21
Section 8.02	NON-RELATIONSHIP	22
Section 8.03	NO ADVERSE CHANGE.....	22
ARTICLE IX	EXCULPATION AND LIABILITY	22
Section 9.01	LIABILITY OF BORROWER.....	22
ARTICLE X	CHANGE IN OWNERSHIP, CONVEYANCE OF PROPERTY.....	23
Section 10.01	CONVEYANCE OF PROPERTY, CHANGE IN OWNERSHIP AND COMPOSITION.....	23
Section 10.02	PROHIBITION ON SUBORDINATE FINANCING.....	24
Section 10.03	RESTRICTIONS ON ADDITIONAL OBLIGATIONS.....	24
Section 10.04	STATEMENTS REGARDING OWNERSHIP	24
ARTICLE XI	DEFAULTS AND REMEDIES	24
Section 11.01	EVENTS OF DEFAULT	24
Section 11.02	REMEDIES UPON DEFAULT.....	25
Section 11.03	APPLICATION OF PROCEEDS OF SALE	26
Section 11.04	[INTENTIONALLY DELETED.]	26
Section 11.05	LENDER'S RIGHT TO PERFORM BORROWER'S OBLIGATIONS	26
Section 11.06	LENDER REIMBURSEMENT.....	26
Section 11.07	FEES AND EXPENSES.....	27
Section 11.08	WAIVER OF CONSEQUENTIAL DAMAGES.....	27
ARTICLE XII	BORROWER AGREEMENTS AND FURTHER ASSURANCES	27
Section 12.01	PARTICIPATION AND SALE OF LOAN.....	27
Section 12.02	REPLACEMENT OF NOTE.....	27
Section 12.03	BORROWER'S ESTOPPEL.....	28
Section 12.04	FURTHER ASSURANCES	28
Section 12.05	SUBROGATION.....	28
ARTICLE XIII	SECURITY AGREEMENT.....	28
Section 13.01	SECURITY AGREEMENT.....	28
Section 13.02	REPRESENTATIONS AND WARRANTIES.....	29
Section 13.03	CHARACTERIZATION OF PROPERTY.....	29
Section 13.04	PROTECTION AGAINST PURCHASE MONEY SECURITY INTERESTS	29

UNOFFICIAL COPY

ARTICLE XIV MISCELLANEOUS COVENANTS.....30

Section 14.01 NO WAIVER.....30

Section 14.02 NOTICES.....30

Section 14.03 HEIRS AND ASSIGNS; TERMINOLOGY.....30

Section 14.04 SEVERABILITY.....31

Section 14.05 APPLICABLE LAW.....31

Section 14.06 CAPTIONS.....31

Section 14.07 TIME OF THE ESSENCE.....31

Section 14.08 NO MERGER.....31

Section 14.09 NO MODIFICATIONS.....31

ARTICLE XV NON-UNIFORM COVENANTS.....31

Section 15.01 USE OF PROCEEDS.....31

Section 15.02 LIMITATION ON SECURED INDEBTEDNESS.....31

Section 15.03 WAIVER OF HOMESTEAD AND REDEMPTION.....31

Section 15.04 WAIVER OF JURY TRIAL.....32

Section 15.05 SECURITIES LAWS.....32

Proposed Cook County Clerk's Office

UNOFFICIAL COPY**MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING
DEFINED TERMS**

Execution Date: November <u>14</u> , 2003
Note: The promissory note dated as of the Execution Date made by Borrower to the order of Lender in the principal amount of Fourteen Million Five Hundred Thousand Dollars (\$14,500,000.00)
Lender & Address: Metropolitan Life Insurance Company 10 Park Avenue Morristown, New Jersey 07960 Attention: Senior Vice-President and Metropolitan Life Insurance Company 2021 Spring Road, Suite 100 Oak Brook, IL 60523 Attention: Officer In Charge
Borrower & Address: Elk Grove Town Center, L.L.C., an Illinois limited liability company c/o Hamilton Partners, Inc. 300 Park Boulevard Itasca, Illinois 60143 Attn: Todd Berlinghof
Liabe Parties & Address: James L. Sheridan, Todd Berlinghof, and Allan J. Hamilton c/o Hamilton Partners, Inc. 300 Park Boulevard Itasca, Illinois 60143
County and State in which the Property is located: Cook County, State of Illinois
Use: Retail shopping center and related parking
Insurance: Full Replacement Cost \$21,000,000.00 including Personal Property, boiler and machinery (provided that Borrower provides evidence to Lender that Borrower's blanket policy of insurance insures a \$500,000,000.00 loss limit per location/or occurrence). Business Income \$3,000,000.00 Commercial General Liability Required Liability Limits \$15,000,000.00

UNOFFICIAL COPY

Address for Insurance Notification:

Metropolitan Life Insurance Company and/or its successors and assigns
One MetLife Plaza
27-01 Queens Plaza North
Long Island City, New York 11101
Attn.: Risk Management Unit, Area: 7C

Loan Documents: The Note, this Mortgage and any other documents related to the Note and/or Mortgage and all renewals, amendments, modifications, restatements and extensions of these documents. Unsecured Indemnity Agreement: Unsecured Indemnity Agreement dated as of the Execution Date and executed by Borrower and Liable Parties in favor of Lender. Guaranty: Guaranty Agreement dated as of the Execution Date and executed by Liable Parties in favor of Lender. The Indemnity Agreement and the Guaranty are not Loan Documents. * the loan is a variable rate loan *

Property of Cook County Clerk's Office

UNOFFICIAL COPY

This **MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING** (this "**Mortgage**") is entered into as of the Execution Date by Elk Grove Town Center, L.L.C., an Illinois limited liability company (referred to herein as the "**Borrower**"), to and for the benefit of Lender with reference to the following Recitals:

RECITALS

A. This Mortgage secures: (1) the payment of the indebtedness evidenced by the Note with interest at the rates set forth in the Note, together with all renewals, modifications, consolidations and extensions of the Note, all additional advances or fundings made by Lender, and any other amounts required to be paid by Borrower under any of the Loan Documents, (collectively the "**Secured Indebtedness**", and sometimes referred to as the "**Loan**") and (2) the full performance by Borrower of all of the terms, covenants and obligations set forth in any of the Loan Documents.

B. Borrower makes the following covenants and agreements for the benefit of Lender or any party designated by Lender, including any prospective purchaser of the Loan Documents or participant in the Loan, and their respective officers, employees, agents, attorneys, representatives and contractors (all of which are collectively referred to as "**Lender**").

NOW, THEREFORE, IN CONSIDERATION of the Recitals and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Borrower agrees as follows:

ARTICLE I GRANT OF SECURITY

Section 1.01 REAL PROPERTY GRANT. Borrower irrevocably mortgages, sells, transfers, grants, conveys, assigns and warrants to Lender, all of Borrower's present and future estate, right, title and interest in and to the following which are collectively referred to as the "**Real Property**":

(1) that certain real property located in the County and State which is more particularly described in **Exhibit A** attached to this Mortgage or any portion of the real property; all easements, rights-of-way, gaps, strips and gores of land; streets and alleys; sewers and water rights; privileges, licenses, tenements, and appurtenances appertaining to the real property, and the reversion(s), remainder(s), and claims of Borrower with respect to these items, and the benefits of any existing or future conditions, covenants and restrictions affecting the real property (collectively, the "**Land**");

(2) all things now or hereafter affixed to or placed on the Land, including all buildings, structures and improvements, all fixtures and all machinery, elevators, boilers, building service equipment (including, without limitation, all equipment for the generation or distribution of air, water, heat, electricity, light, fuel or for ventilating or air conditioning purposes or for sanitary or drainage purposes or for the removal of dust, refuse or garbage), partitions, appliances, furniture, furnishings, building materials, supplies, computers and

UNOFFICIAL COPY

software, window coverings and floor coverings, lobby furnishings, and other property now or in the future attached, or installed in the improvements and all replacements, repairs, additions, or substitutions to these items (collectively, the “**Improvements**”);

(3) all present and future income, rents, revenue, profits, proceeds, accounts receivable and other benefits from the Land and/or Improvements and all deposits made with respect to the Land and/or Improvements, including, but not limited to, any security given to utility companies by Borrower, any advance payment of real estate taxes or assessments, or insurance premiums made by Borrower and all claims or demands relating to such deposits and other security, including claims for refunds of tax payments or assessments, and all insurance proceeds payable to Borrower in connection with the Land and/or Improvements whether or not such insurance coverage is specifically required under the terms of this Mortgage (“**Insurance Proceeds**”) (all of the items set forth in this paragraph are referred to collectively as “**Rents and Profits**”);

(4) all damages, payments and revenue of every kind that Borrower may be entitled to receive, from any person owning or acquiring a right to the oil, gas or mineral rights and reservations of the Land;

(5) all proceeds and claims arising on account of any damage to, or Condemnation (as hereinafter defined) of any part of the Land and/or Improvements, and all causes of action and recoveries for any diminution in the value of the Land and/or Improvements;

(6) all licenses, contracts, management agreements, guaranties, warranties, franchise agreements, permits, or certificates relating to the ownership, use, operation or maintenance of the Land and/or Improvements; and

(7) all names by which the Land and/or Improvements may be operated or known, and all rights to carry on business under those names, and all trademarks, trade names and goodwill relating to the Land and/or Improvements.

TO HAVE AND TO HOLD the Real Property, unto Lender, its successors and assigns, its successors and assigns, forever subject to the terms, covenants and conditions of this Mortgage.

Section 1.02 PERSONAL PROPERTY GRANT. Borrower irrevocably sells, transfers, grants, conveys, assigns and warrants to Lender, its successors and assigns, a security interest in Borrower’s interest in the following personal property which is collectively referred to as “Personal Property”:

(1) any portion of the Real Property which may be personal property, and all other personal property, whether now existing or acquired in the future which is attached to, appurtenant to, or used in the construction or operation of, or in connection with, the Real Property;

UNOFFICIAL COPY

(2) all rights to the use of water, including water rights appurtenant to the Real Property, pumping plants, ditches for irrigation, all water stock or other evidence of ownership of any part of the Real Property that is owned by Borrower in common with others and all documents of membership in any owner's association or similar group;

(3) all plans and specifications prepared for construction of the Improvements; and all contracts and agreements of Borrower relating to the plans and specifications or to the construction of the Improvements;

(4) all equipment, machinery, fixtures and goods used in connection with or relating to the Property, all accounts used specifically for holding security deposits of tenants at the Real Property, and all substitutions, replacements of, and additions to any of these items;

(5) all sales agreements, deposits, escrow agreements, other documents and agreements entered into with respect to the sale of any part of the Real Property, and all proceeds of the sale; and

(6) all proceeds from the voluntary or involuntary disposition or claim respecting any of the foregoing items (including judgments, condemnation awards or otherwise).

All of the Real Property and the Personal Property are collectively referred to as the "Property."

Section 1.03 CONDITIONS TO GRANT. If Borrower shall pay to Lender the Secured Indebtedness, at the times and in the manner stipulated in the Loan Documents, and if Borrower shall perform and observe each of the terms, covenants and agreements set forth in the Loan Documents, then this Mortgage and all the rights granted by this Mortgage shall be released by Trustee and/or Lender in accordance with the laws of the State.

ARTICLE II BORROWER COVENANTS

Section 2.01 DUE AUTHORIZATION, EXECUTION, AND DELIVERY.

(a) Borrower represents and warrants that the execution of the Loan Documents and the Unsecured Indemnity Agreement have been duly authorized and there is no provision in the organizational documents of Borrower requiring further consent for such action by any other entity or person.

(b) Borrower represents and warrants that it is duly organized, validly existing and is in good standing under the laws of the state of its formation and in the State, that it has all necessary licenses, authorizations, registrations, permits and/or approvals to own its properties and to carry on its business as presently conducted.

(c) Borrower represents and warrants that the execution, delivery and performance of the Loan Documents will not result in Borrower's being in default under any provision of its

UNOFFICIAL COPY

organizational documents or of any mortgage, lease, credit or other agreement to which it is a party or which affects it or the Property.

(d) Borrower represents and warrants that the Loan Documents and the Unsecured Indemnity Agreement have been duly authorized, executed and delivered by Borrower and constitute valid and binding obligations of Borrower which are enforceable in accordance with their terms.

Section 2.02 PERFORMANCE BY BORROWER. Borrower shall pay the Secured Indebtedness to Lender and shall keep and perform each and every other obligation, covenant and agreement of the Loan Documents.

Section 2.03 WARRANTY OF TITLE.

(a) Borrower warrants that it holds marketable and indefeasible fee simple absolute title to the Real Property, and that it has the right and is lawfully authorized to sell, convey or encumber the Property subject only to those property specific exceptions to title recorded in the real estate records of the County and contained in **Schedule B** of the title insurance policy or policies which have been approved by Lender (the "**Permitted Exceptions**"). The Property is free from all due and unpaid taxes, assessments and mechanics' and materialmen's liens.

(b) Borrower further covenants to warrant and forever defend Lender from and against all persons claiming any interest in the Property.

Section 2.04 TAXES, LIENS AND OTHER CHARGES.

(a) Unless otherwise paid to Lender as provided in Section 2.05, Borrower shall pay all real estate and other taxes, assessments, water and sewer charges, vault and other license or permit fees, liens, fines, penalties, interest, and other similar public and private claims which may be payable, assessed, levied, imposed upon or become a lien on or against any portion of the Property (all of the foregoing items are collectively referred to as the "**Imposition(s)**"). The Impositions shall be paid not later than the due date, and Borrower shall produce to Lender receipts of the imposing authority, or other evidence reasonably satisfactory to Lender, evidencing the payment of the Imposition in full. If Borrower elects by appropriate legal action to contest any Imposition, Borrower shall first deposit cash with Lender as a reserve in an amount which Lender reasonably determines is sufficient to pay the Imposition plus all fines, interest, penalties and costs which may become due pending the determination of the contest. If Borrower deposits this sum with Lender, Borrower shall not be required to pay the Imposition provided that the contest operates to prevent enforcement or collection of the Imposition, or the sale or forfeiture of, the Property, and is prosecuted with due diligence and continuity. Upon termination of any proceeding or contest, Borrower shall pay the amount of the Imposition as finally determined in the proceeding or contest. Provided that there is not then an Event of Default (as defined in Section 11.01), the monies which have been deposited with Lender pursuant to this Section shall be applied toward such payment and the excess, if any, shall be returned to Borrower.

UNOFFICIAL COPY

(b) In the event of the passage, after the Execution Date, of any law which deducts from the value of the Property, for the purposes of taxation, any lien or security interest encumbering the Property, or changing in any way the existing laws regarding the taxation of mortgages, deeds of trust and/or security agreements or debts secured by these instruments, or changing the manner for the collection of any such taxes, and the law has the effect of imposing payment of any Impositions upon Lender, at Lender's option, the Secured Indebtedness shall immediately become due and payable. Notwithstanding the preceding sentence, the Lender's election to accelerate the Loan shall not be effective if (1) Borrower is permitted by law (including, without limitation, applicable interest rate laws) to, and actually does, pay the Imposition or the increased portion of the Imposition and (2) Borrower agrees in writing to pay or reimburse Lender in accordance with Section 11.06 for the payment of any such Imposition which becomes payable at any time when the Loan is outstanding.

Section 2.05 ESCROW DEPOSITS.

(a) Without limiting the effect of Section 2.04 and Section 3.01 and subject to Sections 2.04(b) and 2.04(c) below, Borrower shall pay to Lender monthly, on the same date the monthly installment is payable under the Note, an amount equal to 1/12th of the amounts Lender reasonably estimates are necessary to pay, on a yearly basis, all Impositions (except real estate taxes) and insurance premiums (collectively, the "**Escrowed Impositions**") next due and payable until such time as Borrower has deposited an amount equal to the charges sufficient to pay bills when due during the calendar year for these items, and on demand, from time to time, shall pay to Lender any additional amounts necessary to pay the Escrowed Impositions. Borrower will furnish to Lender bills for the Escrowed Impositions thirty (30) days before the Escrowed Impositions become delinquent. The amounts paid as Escrowed Impositions may be commingled with the general funds of Lender, but Lender is required from time to time to credit Borrower with interest earned on account of such amounts. In an Event of Default occurs, Lender shall have the right, at its election, to apply any amounts held under this Section 2.05 in reduction of the Secured Indebtedness, or in payment of the Escrowed Impositions for which the amounts were deposited.

(b) Holder agrees not to require deposits for insurance premiums, unless and until (i) there is a default under the Loan Documents, the Guaranty or the Indemnity Agreement; (ii) insurance premiums deposits are required in connection with a securitization or participation of the Loan; or (iii) at any time Borrower fails to furnish to Holder, not later than thirty (30) days before the dates on which any insurance premiums would become delinquent, receipts for the payment of such insurance premiums or appropriate proof of insurance of a new policy which continues in force the insurance coverage of the expiring policy. In the event any of these events occur, Holder reserves the right to require insurance premiums deposits at any time in its absolute discretion notwithstanding the fact that the default may be cured, or that the transfer or change be approved by Holder. To the extent that Holder does not require insurance premiums deposits pursuant to this waiver, Section 11 of the Note and Section 9.01(a) of this Mortgage shall be deemed modified to provide that the Loan will be recourse to Borrower and the Liable Parties to the extent that any obligations for which an insurance premiums deposit was not required was not paid by Borrowers.

UNOFFICIAL COPY

(c) Holder agrees not to require deposits for Escrowed Impositions (other than for insurance premiums which are separately covered by Section 2.05(b) above), unless and until (i) there is a default under the Loan Documents, the Indemnity Agreement or the Guaranty; or (ii) such deposits are required in connection with a securitization or participation of the Loan. In the event any of these events occur, Holder reserves the right to require such Escrowed Impositions deposits at any time in its absolute discretion notwithstanding the fact that the default may be cured, or that the transfer or change be approved by Holder. To the extent that Holder does not require such Escrowed Impositions deposits pursuant to this waiver, Section 11 of the Note and Section 9.01(a) of this Mortgage shall be modified to provide that the Loan will be recourse to Borrower and the Liable Parties to the extent that any obligation for which such Escrowed Impositions deposits pursuant to this waiver were not paid by Borrower.

(d) Contemporaneously with the execution of this Mortgage, Borrower shall deposit an amount of cash equal to \$145,000, the disbursement of which shall be governed by the Interest Rate Protection Instrument Escrow Agreement of even date herewith.

Section 2.06 CARE AND USE OF THE PROPERTY.

(a) Borrower's represents and warrants to Lender as follows:

(i) All authorizations, licenses, including without limitation liquor licenses, if any, and operating permits required to be obtained to allow the Improvements to be operated for the Use have been obtained, paid for and are in full force and effect.

(ii) The Improvements and their Use comply with (and no notices of violation have been received in connection with) all Requirements (as defined in this Section) and Borrower shall at all times comply with all present or future Requirements affecting or relating to the Property and/or the Use. Borrower shall furnish Lender, on request, proof of compliance with the Requirements. Borrower shall not use or permit the use of the Property, or any part thereof, for any illegal purpose. "Requirements" shall mean all laws, ordinances, orders, covenants, conditions and restrictions and other requirements relating to land and building design and construction, use and maintenance, that may now or hereafter pertain to or affect the Property or any part of the Property or the Use, including, without limitation, planning, zoning, subdivision, environmental, air quality, flood hazard, fire safety, handicapped facilities, building, health, fire, traffic, safety, wetlands, coastal and other governmental or regulatory rules, laws, ordinances, statutes, codes and requirements applicable to the Property, including permits, licenses and/or certificates that may be necessary from time to time to comply with any of the these requirements.

(iii) Borrower has complied with all requirements of all instruments and agreements affecting the Property, whether or not of record, including without limitation all covenants and agreements by and between Borrower and any governmental or regulatory agency pertaining to the development, use or operation of the Property. Borrower, at its sole cost and expense, shall keep the Property in good order, condition, and repair, and make all necessary structural and non-structural, ordinary and extraordinary repairs to the Property and the Improvements.

UNOFFICIAL COPY

(iv) Borrower shall abstain from, and not permit, the commission of waste to the Property and shall not remove or alter in any substantial manner, the structure or character of any Improvements without the prior written consent of Lender, which consent shall not be unreasonably withheld, conditioned or delayed.

(v) The zoning approval for the Property is not dependent upon the ownership or use of any property which is not encumbered by this Mortgage.

(b) Subject to the rights of tenants, Lender shall have the right, at any time and from time to time during normal business hours, to enter the Property in order to ascertain Borrower's compliance with the Loan Documents, to examine the condition of the Property, to perform an appraisal, to undertake surveying or engineering work, and to inspect premises occupied by tenants. Borrower shall cooperate with Lender performing these inspections.

(c) Borrower shall use, or cause to be used, the Property continuously for the Use. Borrower shall not use, or permit the use of, the Property for any other use without the prior written consent of Lender. Borrower shall not file or record a declaration of condominium, master mortgage or mortgage or any other similar document evidencing the imposition of a so-called "condominium regime" whether superior or subordinate to this mortgage and Borrower shall not permit any part of the Property to be converted to, or operated as, a "cooperative apartment house" (or "cooperative" form of ownership) whereby the tenants or occupants participate in the ownership, management or control of any part of the Property.

(d) Without the prior written consent of Lender, Borrower shall not (i) initiate or acquiesce in a change in the zoning classification of and/or restrictive covenants affecting the Property or seek any variance under existing zoning ordinances, (ii) use or permit the use of the Property in a manner which may result in the Use becoming a non-conforming use under applicable zoning ordinances, (iii) subject the Property to restrictive covenants, or (iv) grant any easements or licenses for parking at the Property.

Section 2.07 COLLATERAL SECURITY INSTRUMENTS. Borrower covenants and agrees that if Lender at any time holds additional security for any obligations secured by this Mortgage, it may enforce its rights and remedies with respect to the security, at its option, either before, concurrently or after a sale of the Property is made pursuant to the terms of this Mortgage. Lender may apply the proceeds of the additional security to the Secured Indebtedness without affecting or waiving any right to any other security, including the security under this Mortgage, and without waiving any breach or default of Borrower under this Mortgage or any other Loan Document.

Section 2.08 SUITS AND OTHER ACTS TO PROTECT THE PROPERTY.

(a) Borrower shall immediately notify Lender of the commencement, or receipt of notice, of any and all actions or proceedings or other material matter or claim affecting the Property and/or the interest of Lender under the Loan Documents (collectively, "Actions"). Borrower shall appear in and defend any Actions.

UNOFFICIAL COPY

(b) Lender shall have the right, at the cost and expense of Borrower, to institute, maintain and participate in Actions and take such other action, as it may deem appropriate in the good faith exercise of its discretion to preserve or protect the Property and/or the interest of Lender under the Loan Documents. Any money paid by Lender under this Section shall be reimbursed to Lender in accordance with Section 11.06 hereof.

Section 2.09 LIENS AND ENCUMBRANCES. Without the prior written consent of Lender, to be exercised in Lender's sole and absolute discretion, other than the Permitted Exceptions, Borrower shall not create, place or allow to remain any lien or encumbrance on the Property, including deeds of trust, mortgages, security interests, conditional sales, mechanic liens, tax liens or assessment liens regardless of whether or not they are subordinate to the lien created by this Mortgage (collectively, "**Liens and Encumbrances**"). If any Liens and Encumbrances are recorded against the Property or any part of the Property, Borrower shall obtain a discharge and release of any Liens and Encumbrances within fifteen (15) days after receipt of notice of their existence.

Section 2.10 SINGLE PURPOSE ENTITY. Borrower represents, warrants and covenants that Borrower is and shall continue to be a single purpose entity and its organizational documents do and shall continue to provide that Borrower shall not: (i) engage in business other than owning and operating the Property; (ii) acquire or own a material asset other than the Property and incidental personal property; (iii) maintain assets in a way difficult to segregate and identify or commingle its assets with the assets of any other person or entity; (iv) fail to hold itself out to the public as a legal entity separate from any other; (v) fail to conduct business solely in its name or fail to maintain records, separate from any other person or entity; (vi) file or consent to a petition pursuant to applicable bankruptcy, insolvency liquidation or reorganization statutes, or make an assignment for benefit of creditors without the unanimous consent of its partners or members as applicable; (vii) incur additional indebtedness, except for trade payables in the ordinary course of business of owning and operating the Property, provided that such indebtedness is paid within 90 days of when incurred; (viii) dissolve, liquidate, consolidate, merge or sell all or substantially all of its assets; or (ix) modify, amend or revise its organizational documents.

Section 2.11 SPRINKLER HEAD RECALL. Borrower agrees at its sole cost and expense to properly file, submit and diligently pursue the claim with respect to the substitution and replacement of those sprinkler heads located in the Cucina Roma restaurant subject to recall within ninety (90) days of the date hereof.

Section 2.12 RECORDED AGREEMENTS.

(a) Borrower covenants that with respect to the following: (i) Redevelopment Agreement recorded August 5, 1997 as Document Number 97566663 with the Cook County Recorder's Office, as amended by that certain First Amendment to Redevelopment Agreement recorded August 5, 1997 as Document Number 97566664 with the Cook County Recorder's Office (the Redevelopment Agreement, as amended the First Amendment to Redevelopment Agreement are the "**Redevelopment Agreement**"), (ii) Reciprocal Easement Agreement recorded August 5, 1997 as Document Number 97566666 with the Cook County Recorder's Office (the "**REA**"), and (iii) Reciprocal Easement Agreement recorded August 5, 1997 as

UNOFFICIAL COPY

Document Number 97566670 with the Cook County Recorder's Office (the "Theater REA") ((i) through (iii) collectively, the "Recorded Agreements"), (1) Borrower shall comply with all of the terms and conditions of the Recorded Agreements as the same relate to Borrower, (2) Borrower shall promptly pay any and all fees due and owing under such Recorded Agreements within the time frames set forth in such Recorded Agreements, and (3) Borrower shall not, without the prior written approval of Lender, terminate or otherwise extinguish the Access Easement granted by Borrower in the Theater REA.

(b) Borrower shall, within sixty (60) days of the date hereof, deliver to Lender estoppel certificates (the "Estoppel Certificates") with respect to each of the Recorded Agreements in form and substance acceptable to Lender, on substantially the forms provided by Lender to Borrower, and stating, among other things, that the Recorded Agreements are in full force and effect, and that Borrower is not in default of any of the terms of the Recorded Agreements. Borrower's failure to deliver the Estoppel Certificates within such sixty (60) day period shall constitute an Event of Default hereunder.

ARTICLE III INSURANCE

Section 3.01 REQUIRED INSURANCE AND TERMS OF INSURANCE POLICIES.

(a) During the term of this Mortgage, Borrower at its sole cost and expense must provide insurance policies and certificates of insurance satisfactory to Lender as to amounts, types of coverage and the companies underwriting these coverages. In no event will such policies be terminated or otherwise allowed to lapse. Borrower shall be responsible for its own deductibles. Borrower shall also pay for any insurance, or any increase of policy limits, not described in the Mortgage which Borrower requires for its own protection or for compliance with government statutes. Borrower's insurance shall be primary and without contribution from any insurance procured by Lender.

Policies of insurance shall be delivered to Lender in accordance with the following requirements: All Risk Property insurance on the Improvements and the Personal Property, including contingent liability from Operation of Building Laws, Demolition Costs and Increased Cost of Construction endorsements, in each case (i) in an amount equal to 100% of the "Full Replacement Cost" of the Improvements and Personal Property, which for purposes of this Article III shall mean actual replacement value (exclusive of costs of excavations, foundations, underground utilities and footings) with a waiver of depreciation and with a Replacement Cost Endorsement; (ii) containing an agreed amount endorsement with respect to the Improvements and Personal Property waiving all co-insurance provisions; (iii) providing for no deductible in excess of \$10,000; and (iv) containing an "Ordinance or Law Coverage" or "Enforcement" endorsement if any of the Improvements or the use of the Property shall constitute non-conforming structures or uses. The Full Replacement Cost shall be determined from time to time by an appraiser or contractor designated and paid by Borrower and approved by Lender or by an engineer or appraiser in the regular employ of the insurer.

(1) Commercial General Liability insurance against claims for personal injury, bodily injury, death or property damage occurring upon, in or about the Property, such insurance

UNOFFICIAL COPY

(i) to be on the so-called "occurrence" form with a combined single limit of not less than the amount set forth in the Defined Terms; (ii) to continue at not less than this limit until required to be changed by Lender in writing by reason of changed economic conditions making such protection inadequate; and (iii) to cover at least the following hazards: (a) premises and operations; (b) products and completed operations on an "if any" basis; (c) independent contractors; (d) blanket contractual liability for all written and oral contracts; and (e) contractual liability covering the indemnities contained in this Mortgage to the extent available.

(2) Business Income insurance in an amount sufficient to prevent Borrower from becoming a co-insurer within the terms of the applicable policies, and sufficient to recover one (1) year's "Business Income" (as hereinafter defined). The amount shown in the Defined Terms is the current estimate of one year's "Business Income". "Business Income" shall mean the sum of (i) the total anticipated gross income from occupancy of the Property, (ii) the amount of all charges (such as, but not limited to, operating expenses, insurance premiums and taxes) which are the obligation of tenants or occupants to Borrower, (iii) the fair market rental value of any portion of the Property which is occupied by Borrower, and (iv) any other amounts payable to Borrower or to any affiliate of Borrower pursuant to leases of the Property.

(3) If Lender determines at any time that any part of the Property is located in an area identified on a Flood Hazard Boundary Map or Flood Insurance Rate Map issued by the Federal Emergency Management Agency as having special flood hazards and flood insurance has been made available, Borrower will maintain a flood insurance policy meeting the requirements of the current guidelines of the Federal Insurance Administration with a generally acceptable insurance carrier, in an amount not less than the lesser of (i) the outstanding principal balance of the Loan or (ii) the maximum amount of insurance which is available under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973 or the National Flood Insurance Reform Act of 1994, as amended.

(4) During the period of any construction or renovation or alteration of the Improvements, a so-called "Builder's All Risk" insurance policy in non-reporting form for any Improvements under construction, renovation or alteration including, without limitation, for demolition and increased cost of construction or renovation, in an amount approved by Lender including an Occupancy endorsement and Worker's Compensation Insurance covering all persons engaged in the construction, renovation or alteration in an amount at least equal to the minimum required by statutory limits of the State.

(5) Workers' Compensation insurance, subject to the statutory limits of the State, and employer's liability insurance with a limit of at least \$1,000,000 per accident and per disease per employee, and \$1,000,000 for disease in the aggregate in respect of any work or operations on or about the Property, or in connection with the Property or its operations (if applicable).

(6) Boiler & Machinery insurance covering the major components of the central heating, air conditioning and ventilating systems, boilers, other pressure vessels, high pressure piping and machinery, elevators and escalators, if any, and other similar equipment installed in the Improvements, in an amount equal to one hundred percent (100%) of the full

UNOFFICIAL COPY

replacement cost of all equipment installed in, on or at the Improvements. These policies shall insure against physical damage to and loss of occupancy and use of the Improvements arising out of an accident or breakdown.

(7) Such other insurance as may from time to time be reasonably required by Lender against other insurable hazards, including, but not limited to, vandalism.

(b) Lender's interest must be clearly stated by endorsement in the insurance policies described in this Section 3.01 as follows:

(1) The policies of insurance referenced in Subsections (a)(1), (a)(3), (a)(4), (a)(5) and (a)(7) of this Section 3.01 shall identify Lender under the New York Standard Mortgagee Clause (non-contributory) endorsement.

(2) The insurance policy referenced in Section 3.01 (a)(2) shall name Lender as an additional insured.

(3) All of the policies referred to in Section 3.01 shall provide for at least thirty (30) days' written notice to Lender in the event of policy cancellation and/or material change.

(c) All the insurance companies must be authorized to do business in New York State and the State and be approved by Lender. The insurance companies must have a general policy rating of A or better and a financial class of X or better by A.M. Best Company, Inc. and a claims paying ability of BBB or better according to Standard & Poors. If there are any Securities (as defined in Section 12.01) issued with respect to this Loan which have been assigned a rating by a credit rating agency which rates or assigns values to Securities approved by Lender (a "**Rating Agency**"), the insurance company shall have a claims paying ability rating by such Rating Agency equal to or greater than the rating of the highest class of the Securities. Borrower shall deliver evidence satisfactory to Lender of payment of premiums due under the insurance policies unless such amounts are paid by Lender pursuant to Section 2.05 hereof.

(d) Certified copies of the policies, and any endorsements, shall be made available for inspection by Lender upon request. If any policy is canceled before the Loan is satisfied, and Borrower fails to immediately procure replacement insurance, Lender reserves the right but shall not have the obligation immediately to procure replacement insurance at Borrower's cost.

(e) Borrower shall be required during the term of the Loan to continue to provide Lender with original renewal policies or replacements of the insurance policies referenced in Section 3.01 (a). Lender may accept Certificates of Insurance evidencing insurance policies referenced in Subsections (a)(2), (a)(4), and (a)(6) of this Section 3.01 instead of requiring the actual policies. Lender shall be provided with renewal Certificates of Insurance, or Binders, not less than fifteen (15) days prior to each expiration. The failure of Borrower to maintain the insurance required under this Article III shall not constitute a waiver of Borrower's obligation to fulfill these requirements.

UNOFFICIAL COPY

(e) an annual operating budget presented on a monthly basis consistent with the annual operating statement described above for the Property including cash flow projections for the upcoming year and all proposed capital replacements and improvements at least fifteen (15) days prior to the start of each calendar year.

Section 4.02 PROPERTY REPORTS. Upon request from Lender or its representatives and designees, Borrower shall furnish in a timely manner to Lender:

(a) a property management report for the Property, showing the number of inquiries made and/or rental applications received from tenants or prospective tenants and deposits received from tenants and any other information reasonably requested by Lender, in reasonable detail and certified by Borrower (or an officer, general partner, member or principal of Borrower if Borrower is not an individual) to be true and complete, but no more frequently than quarterly; and

(b) an accounting of all security deposits held in connection with any Lease of any part of the Property, including the name and identification number of the accounts in which such security deposits are held, the name and address of the financial institutions in which such security deposits are held and the name of the person to contact at such financial institution, along with any authority or release necessary for Lender to obtain information regarding such accounts directly from such financial institutions.

Section 4.03 ADDITIONAL MATTERS.

(a) Borrower shall furnish Lender with such other additional financial or management information concerning Borrower and the Property (including State and Federal tax returns) as may, from time to time, be reasonably required by Lender or the rating agencies in form and substance satisfactory to Lender or the rating agencies.

(b) Borrower shall furnish Lender and its agents convenient facilities for the examination and audit of any such books and records.

ARTICLE V

LEASES AND OTHER AGREEMENTS AFFECTING THE PROPERTY

Section 5.01 BORROWER'S REPRESENTATIONS AND WARRANTIES.

Borrower represents and warrants to Lender as follows:

(a) There are no leases or occupancy agreements affecting the Property except those leases and amendments listed on **Exhibit B** to the Assignment of Leases, and Borrower has delivered to Lender true, correct and complete copies of all leases, including amendments (collectively, "Existing Leases") and all guaranties and amendments of guaranties given in connection with the Existing Leases (the "Guaranties").

(b) Except as disclosed on the certified rent roll delivered to Borrower on the Execution Date, there are no defaults by Borrower under the Existing Leases and Guaranties and,

UNOFFICIAL COPY

(f) All binders, policies, endorsements, certificates, and cancellation notices are to be sent to the Lender's Address for Insurance Notification as set forth in the Defined Terms until changed by notice from Lender.

Section 3.02 ADJUSTMENT OF CLAIMS. Borrower hereby authorizes and empowers Lender to settle, adjust or compromise any claims for damage to, or loss or destruction of, all or a portion of the Property in excess of \$150,000, regardless of whether there are Insurance Proceeds available or whether any such Insurance Proceeds are sufficient in amount to fully compensate for such damage, loss or destruction.

Section 3.03 ASSIGNMENT TO LENDER. In the event of the foreclosure of this Mortgage or other transfer of the title to the Property in extinguishment of the Secured Indebtedness, all right, title and interest of Borrower in and to any insurance policy, or premiums or payments in satisfaction of claims or any other rights under these insurance policies and any other insurance policies covering the Property shall pass to the transferee of the Property.

ARTICLE IV BOOKS, RECORDS AND ACCOUNTS

Section 4.01 BOOKS AND RECORDS. Borrower shall keep adequate books and records of account in accordance with tax-basis accounting consistent with financial statements previously provided to Lender and consistent with past practices, or in accordance with other methods acceptable to Lender in its reasonable discretion, consistently applied and furnish to Lender, or cause to be furnished to Lender:

(a) quarterly certified rent rolls signed and dated by Borrower, detailing the names of all tenants of the Improvements, the portion of Improvements occupied by each tenant, the base rent and any other charges payable under each Lease (as defined in Section 5.02) and the term of each Lease, including the expiration date, and any other information as is reasonably required by Lender, within thirty (30) days after the end of each fiscal quarter;

(b) a quarterly operating statement of the Property and year to date operating statements 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 required by Lender, and if available, any quarterly operating statement prepared by an independent certified public accountant, within thirty to sixty (30-60) days after the close of each fiscal quarter of Borrower;

(c) an annual balance sheet and profit and loss statement of Borrower in the form required by Lender, prepared and certified by Borrower, or if required by Lender, financial statements for Borrower relating to the Property, prepared and certified by Borrower within ninety (90) days after the close of each fiscal year of Borrower;

(d) those items required to be furnished by the Liable Parties pursuant to Section 20 of the Guaranty; and

UNOFFICIAL COPY

to the best knowledge of Borrower, there are no defaults by any tenants under the Existing Leases or any guarantors under the Guaranties. To the best knowledge of Borrower, the Existing Leases and the Guaranties are in full force and effect.

(c) To the best knowledge of Borrower, none of the tenants now occupying 10% or more of the Property or having a current lease affecting 10% or more of the Property is the subject of any bankruptcy, reorganization or insolvency proceeding or any other debtor-creditor proceeding.

Section 5.02 ASSIGNMENT OF LEASES. In order to further secure payment of the Secured Indebtedness and the performance of Borrower's obligations under the Loan Documents, Borrower absolutely, presently and unconditionally grants, assigns and transfers to Lender all of Borrower's right, title, interest and estate in, to and under (i) all of the Existing Leases and Guaranties affecting the Property and (ii) all of the future leases and guaranties and (iii) the Rents and Profits. Borrower acknowledges that it is permitted to collect the Rents and Profits pursuant to a revocable license unless and until an Event of Default occurs. The Existing Leases and Guaranties and all future leases, lease amendments and guaranties are collectively referred to as the "Leases".

Section 5.03 PERFORMANCE OF OBLIGATIONS.

(a) Borrower shall perform all obligations under any and all Leases. If any of the acts described in this Section as requiring Lender's consent are done without the written consent of Lender, at the option of Lender, they shall be of no force or effect and shall constitute a default under this Mortgage.

(b) Borrower agrees to furnish Lender executed copies of all future Leases. Borrower shall not, without the express written consent of Lender, which consent will not be unreasonably withheld, conditioned or delayed, enter into or extend any Lease unless the Lease complies with the Leasing Guidelines which are attached to this Mortgage as Exhibit B. Borrower shall not, without the express written consent of Lender, which consent will not be unreasonably delayed, (i) cancel or terminate any Leases except in the case of a default unless Borrower has entered into new Leases which comply with the Leasing Guidelines covering all of the premises of the Leases being terminated or surrendered, or (ii) modify or amend any Leases in any material way or reduce the rent, unless in either case thereafter the Leases comply with the Leasing Guidelines or (iii) unless the tenants remain liable under the Leases, consent to an assignment of the tenant's interest or to a subletting of the demised premises under any Lease, or (iv) accept payment of advance rents in an amount in excess of one month's rent or (v) enter into any options to purchase the Property in any Lease. Any future lease requiring Lender's consent shall be delivered to Lender along with a notice that the Lease must either be approved or disapproved within ten (10) business days of receipt, or such Lease shall be deemed to be consented to by Lender.

Section 5.04 SUBORDINATE LEASES. (a) Each Lease entered into after the date hereof shall be absolutely subordinate to the lien of this Mortgage and shall also contain a provision, satisfactory to Lender, to the effect that in the event of the judicial or non-judicial foreclosure of

UNOFFICIAL COPY

the Property, at the election of the acquiring foreclosure purchaser, the particular Lease shall not be terminated and the tenant shall attorn to the purchaser. If Lender requests, Borrower shall cause a tenant or tenants to enter into subordination, attornment agreement and nondisturbance agreements with Lender on forms which have been approved by Lender.

(b) With respect to any Lease executed after the Execution Date, Lender agrees to enter into a nondisturbance agreement with any tenant subject to the following requirements: (i) any such Lease must be either in accordance with the Leasing Guidelines or approved by Lender; (ii) any such tenant shall execute Lender's standard form of nondisturbance agreement which may contain modifications made by Lender to deal with issues specific to the applicable Lease; (iii) any such Lease shall be for 5,000 square feet of net leasable area or more (may be less than 5,000 square feet of net leasable area if the tenant is in Lender's reasonable opinion a "national tenant"); (iv) for any Lease in accordance with the Leasing Guidelines and which does not require any changes to Lender's standard form of nondisturbance agreement, a fee of \$2,500.00 shall be paid to Lender; and (v) with respect to any Lease requiring Lender's approval or requiring changes to Lender's standard form of nondisturbance agreement, a fee of \$2,500.00 shall be paid to Lender and if Lender elects to retain special counsel the fees of special counsel must be paid by Borrower.

Section 5.05 LEASING COMMISSIONS. Borrower covenants and agrees that all contracts and agreements relating to the Property requiring the payment of leasing commissions (with any party directly or indirectly affiliated with Borrower), management fees or other similar compensation (specifically excluding leasing commissions payable to any party not directly or indirectly affiliated with Borrower) shall (i) provide that the obligation will not be enforceable against Lender and (ii) be subordinate to the lien of this Mortgage. Lender will be provided evidence of Borrower's compliance with this Section upon request.

ARTICLE VI ENVIRONMENTAL HAZARDS

Section 6.01 REPRESENTATIONS AND WARRANTIES. Borrower hereby represents, warrants, covenants and agrees to and with Lender that (i) neither Borrower nor, to the best of Borrower's knowledge, after due inquiry, any tenant, subtenant or occupant of the Property, has at any time placed, suffered or permitted the presence of any Hazardous Materials (as defined in Section 6.05) at, on, under, within or about the Property in violation of the Requirements of Environmental Laws (as defined in Section 6.06), except as expressly approved by Lender in writing and except as show in environmental reports delivered to Lender by Borrower prior to Closing; (ii) all operations or activities upon the Property, and any use or occupancy of the Property by Borrower are presently and shall in the future be in compliance with all Requirements of Environmental Laws and (iii) other than as set forth on **Exhibit D** hereto, no lease or other agreement affecting the Property contains any representation, warranty or covenant made by Borrower concerning the environmental condition of the Property.

Section 6.02 REMEDIAL WORK. In the event any investigation or monitoring of site conditions or any clean-up, containment, restoration, removal or other remedial work (collectively, the "**Remedial Work**") is required under any Requirements of Environmental

UNOFFICIAL COPY

Laws, Borrower shall perform or cause to be performed the Remedial Work in compliance with the applicable law, regulation, order or agreement. All Remedial Work shall be performed by one or more contractors, selected by Borrower and approved in advance in writing by Lender, and under the supervision of a consulting engineer, selected by Borrower and approved in advance in writing by Lender. All costs and expenses of Remedial Work shall be paid by Borrower including, without limitation, the charges of the contractor(s) and/or the consulting engineer, and Lender's reasonable attorneys', architects' and/or consultants' fees and costs incurred in connection with monitoring or review of the Remedial Work. In the event Borrower shall fail to timely commence, or cause to be commenced, or fail to diligently prosecute to completion, the Remedial Work, Lender may, but shall not be required to, cause such Remedial Work to be performed, subject to the provisions of Sections 11.05 and 11.06.

Section 6.03 ENVIRONMENTAL SITE ASSESSMENT. Lender shall have the right, one time during the term of the Loan, to undertake, at the expense of Borrower, an environmental site assessment on the Property, including any testing that Lender may determine, in its sole discretion, is necessary or desirable to ascertain the environmental condition of the Property and the compliance of the Property with Requirements of Environmental Laws. Borrower shall cooperate fully with Lender and its consultants performing such assessments and tests. Notwithstanding anything to the contrary in this Section 6.03, in the event Lender has reasonable grounds to believe that the environmental condition of the Property is not in compliance with the Requirements of Environmental Laws, Lender shall have the right, at any time and from time to time, to undertake, at the expense of Borrower, environmental site assessments on the Property.

Section 6.04 UNSECURED OBLIGATIONS. No amounts which may become owing by Borrower to Lender under this Article VI or under any other provision of this Mortgage as a result of a breach of or violation of this Article VI shall be secured by this Mortgage. The obligations shall continue in full force and effect with respect to conditions existing and matters accruing during the Term, and any breach of this Article VI shall constitute a default under this Mortgage. The lien of this Mortgage shall not secure (i) any obligations evidenced by or arising under the Unsecured Indemnity Agreement ("**Unsecured Obligations**"), or (ii) any other obligations to the extent that they are the same or have the same effect as any of the Unsecured Obligations. The Unsecured Obligations shall continue in full force, and any breach or default of any such obligations shall constitute a breach or default under this Mortgage but the proceeds of any foreclosure sale shall not be applied against Unsecured Obligations. Nothing in this Section shall in any way limit or otherwise affect the right of Lender to obtain a judgment in accordance with applicable law for any deficiency in recovery of all obligations that are secured by this Mortgage following foreclosure, notwithstanding that the deficiency judgment may result from diminution in the value of the Property by reason of any event or occurrence pertaining to Hazardous Materials or any Requirements of Environmental Laws.

Section 6.05 HAZARDOUS MATERIALS.

"**Hazardous Materials**" shall include without limitation:

(a) Those substances included within the definitions of "**hazardous substances**," "**hazardous materials**," "**toxic substances**," or "**solid waste**" in the Comprehensive

UNOFFICIAL COPY

Environmental Response, Compensation, and Liability Act of 1980 as amended, 42 U.S.C. Sections 9601 *et seq.*, the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Sections 6901 *et seq.*, and the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801 *et seq.*, and in the regulations promulgated pursuant to said laws;

(b) Those substances defined as “hazardous substances,” hazardous waste,” or “hazardous materials” in the Illinois Environmental Protection Act, 415 ILCS 5/1 *et seq.*, the Uniform Hazardous Substances Act of Illinois, 430 ILCS 35/1 *et seq.*, and the Illinois Hazardous Materials Transportation Act, 430 ILCS 30/1 *et seq.*, and in the regulations promulgated pursuant to such laws;

(c) Those chemicals known to cause cancer or reproductive toxicity, as reported or defined pursuant to the Illinois Health and Hazardous Substance Registry Act, 410 ILCS 525/1 *et seq.* and the Illinois Environmental Protection Act, 415 ILCS 5/1 *et seq.*, and the regulations promulgated pursuant to such laws;

(d) Those substances listed under Illinois Environmental Protection Act, 415 ILCS 5/1 *et seq.*, and the Illinois Responsible Property Transfer Act, 765 ILCS 90/1 *et seq.*;

(e) Those substances listed in the United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (49 CFR Part 302 and amendments thereto);

(f) Any material, waste or substance which is (A) petroleum, (B) asbestos, (C) polychlorinated biphenyls, (D) designated as a “hazardous substance” pursuant to Section 311 of the Clean Water Act, 33 U.S.C. § 1251 *et seq.* (33 U.S.C. § 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. § 1317); (E) a chemical substance or mixture regulated under the Toxic Substances Control Act of 1976, 15 U.S.C. §§ 2601 *et seq.*; (F) flammable explosives; or (G) radioactive materials; and

(g) Such other substances, materials and wastes which are or become regulated as hazardous or toxic under applicable local, state or federal law, or the United States government, or which are classified as hazardous or toxic under federal, state, or local laws or regulations.

Section 6.06 REQUIREMENTS OF ENVIRONMENTAL LAWS. “Requirements of Environmental Laws” means all requirements of environmental, ecological, health, or industrial hygiene laws or regulations or rules of common law related to the Property, including, without limitation, all requirements imposed by any environmental permit, law, rule, order, or regulation of any federal, state, or local executive, legislative, judicial, regulatory, or administrative agency, which relate to (i) exposure to Hazardous Materials; (ii) pollution or protection of the air, surface water, ground water, land; (iii) solid, gaseous, or liquid waste generation, treatment, storage, disposal, or transportation; or (iv) regulation of the manufacture, processing, distribution and commerce, use, or storage of Hazardous Materials.

Section 6.07 COVENANTS. All activities or operations upon the Property shall be in compliance with all Requirements of Environmental Laws and Borrower shall use best efforts to

UNOFFICIAL COPY

assure that any tenant, subtenant or occupant of the Property shall be in compliance with all Requirements of Environmental Laws.

ARTICLE VII CASUALTY, CONDEMNATION AND RESTORATION

Section 7.01 BORROWER'S REPRESENTATIONS.

Borrower represents and warrants as follows:

(a) Except as expressly approved by Lender in writing, no casualty or damage to any part of the Property which would cost more than \$50,000 to restore or replace has occurred which has not been fully restored or replaced.

(b) No part of the Property has been taken in condemnation or other similar proceeding or transferred in lieu of condemnation, nor has Borrower received notice of any proposed condemnation or other similar proceeding affecting the Property.

Section 7.02 RESTORATION.

(a) Borrower shall give prompt written notice of any casualty to the Property to Lender whether or not required to be insured against. The notice shall describe the nature and cause of the casualty and the extent of the damage to the Property.

(b) Borrower assigns to Lender all Insurance Proceeds which Borrower is entitled to receive in connection with a casualty whether or not such insurance is required under this Mortgage. In the event of any damage to or destruction of the Property, and provided (1) an Event of Default does not currently exist, and (2) Lender has determined that (i) there has not been an Impairment of the Security (as defined in Section 7.02 (c)), and (ii) the repair, restoration and rebuilding of any portion of the Property that has been partially damaged or destroyed (the "**Restoration**") can be accomplished in full compliance with all Requirements to the same condition, character and general utility as nearly as possible to that existing prior to the casualty and at least equal in value as that existing prior to the casualty, then Borrower shall commence and diligently pursue to completion the Restoration. Lender shall hold and disburse the Insurance Proceeds less (x) the cost, if any, to Lender of recovering the Insurance Proceeds including, without limitation, reasonable attorneys' fees and expenses, and adjusters' fees, and (y) any Business Income Insurance Proceeds received by Lender (the "**Net Insurance Proceeds**") to the Restoration.

(c) For the purpose of this Article, "Impairment of the Security" shall mean any or all of the following: (i) any of the Leases for more than 15,000 square feet existing immediately prior to the damage, destruction condemnation or casualty shall have been canceled, or tenants under such Leases shall have the then current right to cancel such Lease as a result of the damage, destruction or casualty, (ii) the casualty or damage occurs during the last year of the term of the Loan, or (iii) restoration of the Property is estimated to require more than one year to complete from the date of the occurrence.

UNOFFICIAL COPY

(d) If the Net Insurance Proceeds are to be used for the Restoration in accordance with this Article, Borrower shall comply with Lender's Requirements For Restoration as set forth in Section 7.04 below. Upon Borrower's satisfaction and completion of the Requirements For Restoration and upon confirmation that there is no Event of Default then existing under the Loan Documents, Lender shall pay any remaining Restoration Funds (as defined in Section 7.04 below) then held by Lender to Borrower.

(e) In the event that the conditions for Restoration set forth in this Section have not been met, Lender may, at its option, apply the Net Insurance Proceeds to the reduction of the Secured Indebtedness in such order as Lender may determine and Lender may declare the entire Secured Indebtedness immediately due and payable. After payment in full of the Secured Indebtedness, any remaining Restoration Funds shall be paid to Borrower.

Section 7.03 CONDEMNATION.

(a) If the Property or any part of the Property is taken by reason of any condemnation or similar eminent domain proceeding, or by a grant or conveyance in lieu of condemnation or eminent domain ("**Condemnation**"), Lender shall be entitled to all compensation, awards, damages, proceeds and payments or relief for the Condemnation ("**Condemnation Proceeds**"). At its option, Lender shall be entitled to commence, appear in and prosecute in its own name any action or proceeding or to make any compromise or settlement in connection with such Condemnation. Borrower hereby irrevocably constitutes and appoints Lender as its attorney-in-fact, which appointment is coupled with an interest, to commence, appear in and prosecute any action or proceeding or to make any compromise or settlement in connection with any such Condemnation.

(b) Borrower assigns to Lender all Condemnation Proceeds which Borrower is entitled to receive. In the event of any Condemnation, and provided (1) an Event of Default does not currently exist, and (2) Lender has determined that (i) there has not been an Impairment of the Security, and (ii) the Restoration of any portion of the Property that has not been taken can be accomplished in full compliance with all Requirements to the same condition, character and general utility as nearly as possible to that existing prior to the taking and at least equal in value as that existing prior to the taking, then Borrower shall commence and diligently pursue to completion the Restoration. Lender shall hold and disburse the Condemnation Proceeds less the cost, if any, to Lender of recovering the Condemnation Proceeds including, without limitation, reasonable attorneys' fees and expenses, and adjusters' fees (the "**Net Condemnation Proceeds**") to the Restoration.

(c) In the event the Net Condemnation Proceeds are to be used for the Restoration, Borrower shall comply with Lender's Requirements For Restoration as set forth in Section 7.04 below. Upon Borrower's satisfaction and completion of the Requirements For Restoration and upon confirmation that there is no Event of Default then existing under the Loan Documents, Lender shall pay any remaining Restoration Funds (as defined in Section 7.04 below) then held by Lender to Borrower.

UNOFFICIAL COPY

(d) In the event that the conditions for Restoration set forth in this Section have not been met, Lender may, at its option, apply the Net Condemnation Proceeds to the reduction of the Secured Indebtedness in such order as Lender may determine and Lender may declare the entire Secured Indebtedness immediately due and payable. After payment in full of the Secured Indebtedness, any remaining Restoration Funds shall be paid to Borrower.

Section 7.04 REQUIREMENTS FOR RESTORATION. Unless otherwise expressly agreed in a writing signed by Lender, the following are the Requirements For Restoration:

(a) If the Net Insurance Proceeds or Net Condemnation Proceeds are to be used for the Restoration, prior to the commencement of any Restoration work (the “**Work**”), Borrower shall provide Lender for its review and written approval (i) complete plans and specifications for the Work which (A) reasonably have been approved by all required governmental authorities, (B) have been approved by an architect satisfactory to Lender (the “**Architect**”) and (C) are accompanied by Architect’s signed statement of the total estimated cost of the Work (the “**Approved Plans and Specifications**”); (ii) the amount of money which Lender reasonably determines will be sufficient when added to the Net Insurance Proceeds or Condemnation Proceeds to pay the entire cost of the Restoration (collectively referred to as the “**Restoration Funds**”); (iii) evidence that the Approved Plans and Specifications and the Work are in compliance with all Requirements; (iv) an executed contract for construction with a contractor reasonably satisfactory to Lender (the “**Contractor**”) in a form reasonably approved by Lender in writing; and (v) at Lender’s option, which shall be exercised in a commercially reasonable fashion, a surety bond and/or guarantee of payment with respect to the completion of the Work. In the event Lender elects for Borrower to provide a surety bond and/or guarantee of payment, the bond or guarantee shall be satisfactory to Lender in form and amount, in Lender’s reasonable discretion, and shall be signed by a surety or other entities who are acceptable to Lender.

(b) Borrower shall not commence the Work, other than temporary work to protect the Property or prevent interference with business, until Borrower shall have complied with the requirements of subsection (a) of this Section 7.04. So long as there does not currently exist an Event of Default and the following conditions have been complied with or, in Lender’s discretion, waived, Lender shall disburse the Restoration Funds in increments to Borrower, from time to time as the Work progresses:

(i) Architect shall be in charge of the Work;

(ii) Lender shall disburse the Restoration Funds directly or through escrow with a title company selected by Borrower and approved by Lender, upon not less than ten (10) days’ prior written notice from Borrower to Lender and Borrower’s delivery to Lender of (A) Borrower’s written request for payment (a “**Request for Payment**”) accompanied by a certificate by Architect in a form satisfactory to Lender which states that (a) all of the Work completed to that date has been completed in compliance with the Approved Plans and Specifications and in accordance with all Requirements, (b) the amount requested has been paid or is then due and payable and is properly a part of the cost of the Work, and (c) when added to all sums previously paid by Lender, the requested amount does not exceed the value of the Work completed to the date of such certificate; and (B) evidence satisfactory to Lender that the balance of the

UNOFFICIAL COPY

Borrower's knowledge, any person who is a Borrower's Constituent (as defined in Section 8.03) is (i) a director or officer of Metropolitan Life Insurance Company ("MetLife"), (ii) a parent, son or daughter of a director or officer of MetLife, or a descendent of any of them, (iii) a stepparent, adopted child, stepson or stepdaughter of a director or officer of MetLife, or (iv) a spouse of a director or officer of MetLife or (v) a "foreign person" within the meaning of Sections 1445 and 1701 of the Internal Revenue Code of 1986, and amendments of such Code or regulations promulgated pursuant to such Code.

Section 8.03 NO ADVERSE CHANGE.

Borrower represents and warrants that:

(a) there has been no material adverse change from the conditions shown in the application submitted for the Loan by Borrower ("**Application**") or in the materials submitted in connection with the Application in the credit rating or financial condition of Borrower, the general partners, shareholders or members of Borrower, or any person or entity which is a general partner, shareholder or member of Borrower, respectively as the case may be (collectively, "**Borrower's Constituents**").

(b) Borrower has delivered to Lender true and correct copies of all Borrower's organizational documents and except as expressly approved by Lender in writing, there have been no changes in Borrower's Constituents since the date that the Application was executed by Borrower.

(c) Neither Borrower, nor any of the Borrower's Constituents, is involved in any bankruptcy, reorganization, insolvency, dissolution or liquidation proceeding, and to the best knowledge of Borrower, no such proceeding is contemplated or threatened.

ARTICLE IX EXCULPATION AND LIABILITY

Section 9.01 LIABILITY OF BORROWER.

(a) Upon the occurrence of an Event of Default, except as provided in this Section 9.01, Lender will look solely to the Property and the security under the Loan Documents for the repayment of the Loan and will not enforce a deficiency judgment against Borrower. However, nothing contained in this section shall limit the rights of Lender to proceed against Borrower and the general partners of Borrower and/or the Liable Parties, if any, (i) to enforce any leases entered into by Borrower or its affiliates as tenant, guarantees, or other agreements entered into by Borrower in a capacity other than as borrower or any policies of insurance; (ii) to recover damages for fraud or material misrepresentation; (iii) to recover any Condemnation Proceeds or Insurance Proceeds or other similar funds which have been misapplied by Borrower or which, under the terms of the Loan Documents, should have been paid to Lender; (iv) to recover any tenant security deposits, tenant letters of credit or other deposits or fees paid to Borrower that are part of the collateral for the Loan or prepaid rents for a period of more than 30 days which have not been delivered to Lender; (v) to recover Rents and Profits received by Borrower after the first

UNOFFICIAL COPY

Restoration Funds remaining after making the payments shall be sufficient to pay the balance of the cost of the Work. Each Request for Payment shall be accompanied by (x) waivers of liens covering that part of the Work previously paid for, if any (y) a title search or by other evidence satisfactory to Lender that no mechanic's or materialmen's liens or other similar liens for labor or materials supplied in connection with the Work have been filed against the Property and not discharged of record, and (z) an endorsement to Lender's title policy insuring that no encumbrance exists on or affects the Property other than the Permitted Exceptions;

(iii) The final Request for Payment shall be accompanied by (i) a final certificate of occupancy or other evidence of approval of appropriate governmental authorities for the use and occupancy of the Improvements, (ii) evidence that the Restoration has been completed in accordance with the Approved Plans and Specifications and all Requirements, (iii) evidence that the costs of the Restoration have been paid in full, and (iv) evidence that no mechanic's or similar liens for labor or material supplied in connection with the Restoration are outstanding against the Property, including final waivers of liens covering all of the Work and an endorsement to Lender's title policy insuring that no encumbrance exists on or affects the Property other than the Permitted Exceptions.

(c) If (i) within ninety (90) days after the occurrence of any damage, destruction or condemnation requiring Restoration, Borrower fails to submit to Lender and receive Lender's approval of plans and specifications or fails to deposit with Lender the additional amount necessary to accomplish the Restoration as provided in subparagraph (a) above, or (ii) after such plans and specifications are approved by all such governmental authorities and Lender, Borrower fails to commence promptly or diligently continue to completion the Restoration, or (iii) Borrower becomes delinquent in payment to mechanics, materialmen or others for the costs incurred in connection with the Restoration, or (iv) there exists an Event of Default, then, in addition to all of the rights herein set forth and after ten (10) days' written notice of the non-fulfillment of one or more of these conditions, Lender may apply the Restoration Funds to reduce the Secured Indebtedness in such order as Lender may determine, and at Lender's option and in its sole discretion, Lender may declare the Secured Indebtedness immediately due and payable.

ARTICLE VIII REPRESENTATIONS OF BORROWER

Section 8.01 ERISA. Borrower hereby represents, warrants and agrees that: (i) it is acting on its own behalf and that it is not an employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), which is subject to Title 1 of ERISA, nor a plan as defined in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (each of the foregoing hereinafter referred to collectively as a "Plan"); (ii) Borrower's assets do not constitute "plan assets" of one or more such Plans within the meaning of Department of Labor Regulation Section 2510.3-101; and (iii) it will not be reconstituted as a Plan or as an entity whose assets constitute "plan assets".

Section 8.02 NON-RELATIONSHIP. Borrower hereby represents warrants and agrees that neither Borrower, nor any general partner, director, member or officer of Borrower, nor to

UNOFFICIAL COPY

day of the month in which an Event of Default occurs and prior to the date Lender acquires title to the Property which have not been applied to the Loan or in accordance with the Loan Documents to operating and maintenance expenses of the Property; (vi) to recover damages, costs and expenses arising from, or in connection with the provisions of this Mortgage pertaining to hazardous materials or the Unsecured Indemnity Agreement; and/or (vii) to recover damages arising from Borrower's failure to comply with the provisions of the Mortgage pertaining to ERISA.

(b) The limitation of liability set forth in this Section 9.01 shall not apply and the Loan shall be fully recourse in the event that (a) there is a violation of Section 10.01 or Section 10.02 of this Mortgage, or (b) prior to the repayment of the Aggregate Indebtedness, that Borrower commences a voluntary bankruptcy or insolvency proceeding or an involuntary bankruptcy or insolvency proceeding is commenced against Borrower and is not dismissed within 90 days of filing. In addition, this agreement shall not waive any rights which Lender would have under any provisions of the U.S. Bankruptcy Code to file a claim for the full amount of the Secured Indebtedness or to require that the Property shall continue to secure all of the Secured Indebtedness.

ARTICLE X CHANGE IN OWNERSHIP, CONVEYANCE OF PROPERTY

Section 10.01 CONVEYANCE OF PROPERTY, CHANGE IN OWNERSHIP AND COMPOSITION.

(a) Borrower shall not cause or permit: (i) any part of the Property or any interest in the Property, to be conveyed, transferred, assigned, encumbered, sold or otherwise disposed of except as provided in Section 10.05; or (ii) any transfer, assignment or conveyance of any interest in the Borrower or the members or beneficiaries of, Borrower or of any of Borrower's Constituents except as provided in Section 10.01(c), or (iii) any merger, reorganization, dissolution or other change in the ownership structure of Borrower or any of the general partners of Borrower, including, without limitation, any conversion of the Borrower or any general partner of Borrower from a general partnership to a limited partnership, a limited liability partnership or a limited liability company (collectively, "**Transfers**").

(b) The prohibitions on transfer shall not be applicable to (i) Transfers as a result of the death of a natural person who is one of Borrower's Constituents; or (ii) Transfers in connection with estate planning by a natural person to a spouse, son or daughter or descendant of either, a stepson or stepdaughter or descendant of either or to trusts or similar entities controlled by any of them ("**Permitted Transferees**"). Transfers pursuant to sections 10.01(b)(i) and (ii) are referred to as "**Permitted Transfers**".

(c) Lender shall not withhold its written consent to the transfer by a member in Borrower of its membership interest in Borrower, provided that Lender has received satisfactory evidence that (i) following such transfer one or more of Allan J. Hamilton, James L. Sheridan, or Todd Berlinghof and any of their Permitted Transferees pursuant to a Permitted Transfer continue to control the Borrower and hold at least a 51% ownership interest in Borrower; and (ii)

UNOFFICIAL COPY

Lender receives, at its option, a satisfactory attorney's opinion that any such transfers are exempt from registration under the Securities Act of 1933 and are exempt from registration under or in compliance with any applicable state securities laws.

Section 10.02 PROHIBITION ON SUBORDINATE FINANCING. Borrower shall not incur or permit the incurring of (i) any financing in addition to the Loan that is secured by a lien, security interest or other encumbrance of any part of the Property or (ii) any pledge or encumbrance of a partnership, member or shareholder or beneficial interest in Borrower.

Section 10.03 RESTRICTIONS ON ADDITIONAL OBLIGATIONS. During the term of the Loan, Borrower shall not, without the prior written consent of Lender, become liable with respect to any indebtedness or other obligation relating to the Property or secured by any interest in Borrower except for (i) the Loan, (ii) Leases entered into in the ordinary course of owning and operating the Property for the Use, (iii) other liabilities incurred in the ordinary course of owning and operating the Property for the Use but excluding any loans or borrowings, (iv) liabilities or indebtedness disclosed in writing to and approved by Lender on or before the Execution Date, and (v) any other single item of indebtedness or liability which does not exceed \$25,000 or, when aggregated with other items or indebtedness or liability, does not exceed \$100,000.

Section 10.04 STATEMENTS REGARDING OWNERSHIP. Borrower agrees to submit or cause to be submitted to Lender within thirty (30) days after December 31st of each calendar year during the term of this Mortgage and ten (10) days after any written request by Lender, a sworn, notarized certificate, signed by an authorized (i) individual who is Borrower or one of the individuals comprising Borrower, (ii) member of Borrower, (iii) partner of Borrower or (iv) officer of Borrower, as the case may be, stating whether (x) any part of the Property, or any interest in the Property, has been conveyed, transferred, assigned, encumbered, or sold, and if so, to whom; (y) any conveyance, transfer, pledge or encumbrance of any interest in Borrower has been made by Borrower, and if so, to whom; or (z) there has been any change in the individual(s) comprising Borrower or in the partners, members stockholders or beneficiaries of Borrower from those on the Execution Date, and if so, a description of such change or changes.

ARTICLE XI DEFAULTS AND REMEDIES

Section 11.01 EVENTS OF DEFAULT. Any of the following shall be deemed to be a material breach of Borrower's covenants in this Mortgage and shall constitute a default ("Event of Default"):

(a) The failure of Borrower to pay any installment of principal, interest or principal and interest, any required escrow deposit or any other sum required to be paid under any Loan Document, whether to Lender or otherwise, within seven (7) days of the due date of such payment;

(b) The failure of Borrower to perform or observe any other term, provision, covenant, condition or agreement under any Loan Document for a period of more than thirty (30) days after receipt of notice of such failure; provided, however that if the default is capable of cure

UNOFFICIAL COPY

but with diligence cannot be cured within such thirty (30) day period, and if Borrower shall have given Lender evidence satisfactory to Lender that Borrower has commenced the cure within ten (10) days after the first notice of default and at all times after such commencement has pursued such cure diligently, then such period shall be extended for so long as is reasonably necessary, but in no event beyond the sixtieth (60th) day after the original notice of default;

(c) The filing by Borrower or one of the Liable Parties of a voluntary petition or application for relief in bankruptcy, the filing against Borrower of an involuntary petition or application for relief in bankruptcy which is not dismissed within sixty (60) days, or Borrower's or Liable Parties' adjudication as a bankrupt or insolvent, or the filing by Borrower or Liable Parties of any petition, application for relief or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law, code or regulation relating to bankruptcy, insolvency or other relief for debtors, or Borrower's seeking or consenting to or acquiescing in the appointment of any trustee, custodian, conservator, receiver or liquidator of Borrower or of all or any substantial part of the Property or of any or all of the Rents and Profits, or the making of any general assignment for the benefit of creditors, or the admission in writing of its inability to pay its debts generally as they become due;

(d) If any warranty, representation, certification, financial statement or other information made or furnished at any time pursuant to the terms of the Loan Documents by Borrower, or by any person or entity otherwise liable under any Loan Document shall be materially false or misleading;

(e) If Borrower shall suffer or permit the Property, or any part of the Property, to be used in a manner that might (1) impair Borrower's title to the Property, (2) create rights of adverse use or possession, or (3) constitute an implied dedication of any part of the Property; or

(f) If Liable Parties shall default under the Guaranty executed by Liable Parties in favor of Lender dated as of the Execution Date.

Section 11.02 REMEDIES UPON DEFAULT. Upon the happening of an Event of Default the Secured Indebtedness shall, at the option of Lender, become immediately due and payable, without further notice or demand, and Lender may undertake any one or more of the following remedies:

(a) **Foreclosure.** Institute a foreclosure action in accordance with the law of the State, or take any other action as may be allowed, at law or in equity, for the enforcement of the Loan Documents and realization on the Property or any other security afforded by the Loan Documents. In the case of a judicial proceeding, Lender may proceed to final judgment and execution for the amount of the Secured Indebtedness owed as of the date of the judgment, together with all costs of suit, reasonable attorneys' fees and interest on the judgment at the maximum rate permitted by law from the date of the judgment until paid. If Lender is the purchaser at the foreclosure sale of the Property, the foreclosure sale price shall be applied against the total amount due Lender; and/or

UNOFFICIAL COPY

(b) Power of Sale. [INTENTIONALLY DELETED]

(c) Entry. Enter into possession of the Property, lease the Improvements, collect all Rents and Profits and, after deducting all costs of collection and administration expenses, apply the remaining Rents and Profits in such order and amounts as Lender, in Lender's sole discretion, may elect to the payment of Impositions, operating costs, costs of maintenance, restoration and repairs, premiums and other charges, including, but not limited to, costs of leasing the Property and fees and costs of counsel and receivers, and in reduction of the Secured Indebtedness; and/or

(d) Receivership. Have a receiver appointed to enter into possession of the Property, lease the Property, collect the Rents and Profits and apply them as the appropriate court may direct. Lender shall be entitled to the appointment of a receiver without the necessity of proving either the inadequacy of the security or the insolvency of Borrower or any Liable Parties. Borrower and Liable Parties shall be deemed to have consented to the appointment of the receiver. The collection or receipt of any of the Rents and Profits by Lender or any receiver shall not affect or cure any Event of Default.

Section 11.03 APPLICATION OF PROCEEDS OF SALE. In the event of a sale of the Property pursuant to Section 11.02 of this Mortgage, to the extent permitted by law, the Lender shall determine in its sole discretion the order in which the proceeds from the sale shall be applied to the payment of the Secured Indebtedness, including without limitation, the expenses of the sale and of all proceedings in connection with the sale, including reasonable attorneys' fees and expenses; Impositions, premiums, liens, and other charges and expenses; the outstanding principal balance of the Secured Indebtedness; any accrued interest; any Prepayment Fee; and any other amounts owed under any of the Loan Documents.

Section 11.04 [INTENTIONALLY DELETED.]

Section 11.05 LENDER'S RIGHT TO PERFORM BORROWER'S OBLIGATIONS. Borrower agrees that, if Borrower fails to perform any act or to pay any money which Borrower is required to perform or pay under the Loan Documents, Lender may, after prior notice to Borrower, make the payment or perform the act at the cost and expense of Borrower and in Borrower's name or in its own name. Any money paid by Lender under this Section 11.05 shall be reimbursed to Lender in accordance with Section 11.06.

Section 11.06 LENDER REIMBURSEMENT. All payments made, or funds expended or advanced by Lender pursuant to the provisions of any Loan Document, shall (1) become a part of the Secured Indebtedness, (2) bear interest at the Interest Rate (as defined in the Note) from the date such payments are made or funds expended or advanced, (3) become due and payable by Borrower upon demand by Lender, and (4) bear interest at the Default Rate (as defined in the Note) from the date of such demand. Borrower shall reimburse Lender within ten (10) days after receipt of written demand for such amounts.

Section 11.07 FEES AND EXPENSES. If Lender becomes a party (by intervention or otherwise) to any action or proceeding affecting, directly or indirectly, Borrower, the Property or the title thereto or Lender's interest under this Mortgage, or employs an attorney to collect any of

UNOFFICIAL COPY

the Secured Indebtedness or to enforce performance of the obligations, covenants and agreements of the Loan Documents, Borrower shall reimburse Lender in accordance with Section 11.06 for all expenses, costs, charges and legal fees incurred by Lender (including, without limitation, the fees and expenses of experts and consultants), whether or not suit is commenced.

Section 11.08 WAIVER OF CONSEQUENTIAL DAMAGES. Borrower covenants and agrees that in no event shall Lender be liable for consequential damages, and to the fullest extent permitted by law, Borrower expressly waives all existing and future claims that it may have against Lender for consequential damages.

ARTICLE XII BORROWER AGREEMENTS AND FURTHER ASSURANCES

Section 12.01 PARTICIPATION AND SALE OF LOAN.

(a) Lender may sell, transfer or assign its entire interest or one or more participation interests in the Loan and the Loan Documents at any time and from time to time, including, without limitation, its rights and obligations as servicer of the Loan. Lender may issue mortgage pass-through certificates or other securities evidencing a beneficial interest in a rated or unrated public offering or private placement, including depositing the Loan Documents with a trust that may issue securities (the "Securities"). Lender may forward to each purchaser, transferee, assignee, servicer, participant, investor in such Securities (collectively, the "Investor") or any Rating Agency rating such Securities and each prospective Investor, all documents and information which Lender now has or may hereafter acquire relating to the Secured Indebtedness or to Borrower or the Property, whether furnished by Borrower, any Liable Parties or otherwise, as Lender determines necessary or desirable.

(b) Borrower will cooperate with the Lender and the rating agencies in furnishing such reasonable information regarding Borrower and the Property and providing such other assistance, reports and legal opinions as the Lender may reasonably request in connection with any such transaction. In addition, Borrower acknowledges that Lender may release or disclose to potential purchasers or transferees of the Loan, or potential participants in the Loan, originals or copies of the Loan Documents, title information, engineering reports, financial statements, operating statements, appraisals, leases, rent rolls, and all other materials, documents and information in Lender's possession or which Lender is entitled to receive under the Loan Documents, with respect to the Loan, Borrower, or the Property. Borrower shall also furnish to such Investors or such prospective Investors or such Rating Agency any and all information concerning the Property, the Leases and the financial condition of Borrower as may be reasonably requested by Lender, any Investor or any prospective Investor or any Rating Agency in connection with any sale, transfer or participation interest.

Section 12.02 REPLACEMENT OF NOTE. Upon notice to Borrower of the loss, theft, destruction or mutilation of the Note and receipt of an indemnity reasonably acceptable to Borrower, Borrower will execute and deliver, in lieu of the original Note, a replacement note, identical in form and substance to the Note and dated as of the Execution Date. Upon the

UNOFFICIAL COPY

execution and delivery of the replacement note, all references in any of the Loan Documents to the Note shall refer to the replacement note.

Section 12.03 BORROWER'S ESTOPPEL. Within fifteen (15) days after a request by Lender, Borrower shall furnish an acknowledged written statement in form satisfactory to Lender (i) setting forth the amount of the Secured Indebtedness, (ii) stating, to the best of Borrower's knowledge, either that no offsets or defenses exist against the Secured Indebtedness, or if any offsets or defenses are alleged to exist, their nature and extent, (iii) whether, to the best of Borrower's knowledge, any default then exists under the Loan Documents or any event has occurred and is continuing, which, with the lapse of time, the giving of notice, or both, would constitute such a default, and (iv) any other matters as Lender may reasonably request. If Borrower does not furnish an estoppel certificate within the 15-day period, Borrower appoints Lender as its attorney-in-fact to execute and deliver the certificate on its behalf, which power of attorney shall be coupled with an interest and shall be irrevocable.

Section 12.04 FURTHER ASSURANCES. Borrower shall, without expense to Lender, execute, acknowledge and deliver all further acts, deeds, conveyances, mortgages, deeds of trust, assignments, security agreements and financing statements as Lender shall from time to time reasonably require, to assure, convey, assign, transfer and confirm unto Lender the Property and rights conveyed or assigned by this Mortgage or which Borrower may become bound to convey or assign to Lender, or for carrying out the intention or facilitating the performance of the terms of this Mortgage or any of the other Loan Documents, or for filing, refiling, registering, reregistering, recording or re-recording this Mortgage. If Borrower fails to comply with the terms of this Section, Lender may, at Borrower's expense, perform Borrower's obligations for and in the name of Borrower, and Borrower hereby irrevocably appoints Lender as its attorney-in-fact to do so. The appointment of Lender as attorney-in-fact is coupled with an interest.

Section 12.05 SUBROGATION. Lender shall be subrogated to the lien of any and all encumbrances against the Property paid out of the proceeds of the Loan and to all of the rights of the recipient of such payment.

ARTICLE XIII SECURITY AGREEMENT

Section 13.01 SECURITY AGREEMENT.

THIS MORTGAGE CREATES A LIEN ON THE PROPERTY. IN ADDITION, TO THE EXTENT THE PROPERTY IS PERSONAL PROPERTY OR FIXTURES UNDER APPLICABLE LAW, THIS MORTGAGE CONSTITUTES A SECURITY AGREEMENT UNDER THE ILLINOIS UNIFORM COMMERCIAL CODE (THE "U.C.C.") AND ANY OTHER APPLICABLE LAW AND IS FILED AS A FIXTURE FILING. UPON THE OCCURRENCE OF AN EVENT OF DEFAULT, LENDER MAY, AT ITS OPTION, PURSUE ANY AND ALL RIGHTS AND REMEDIES AVAILABLE TO A SECURED PARTY WITH RESPECT TO ANY PORTION OF THE PROPERTY, AND/OR LENDER MAY, AT ITS OPTION, PROCEED AS TO ALL OR ANY PART OF THE PROPERTY IN ACCORDANCE

UNOFFICIAL COPY

WITH LENDER'S RIGHTS AND REMEDIES WITH RESPECT TO THE LIEN CREATED BY THIS MORTGAGE. THIS FINANCING STATEMENT SHALL REMAIN IN EFFECT AS A FIXTURE FILING UNTIL THIS MORTGAGE IS RELEASED OR SATISFIED OF RECORD.

Section 13.02 REPRESENTATIONS AND WARRANTIES.

Borrower warrants, represents and covenants as follows:

(a) Borrower owns the Personal Property free from any lien, security interest, encumbrance or adverse claim, except as otherwise expressly approved by Lender in writing. Borrower will notify Lender of, and will protect, defend and indemnify Lender against, all claims and demands of all persons at any time claiming any rights or interest in the Personal Property.

(b) The Personal Property has not been used and shall not be used or bought for personal, family, or household purposes, but shall be bought and used solely for the purpose of carrying on Borrower's business.

(c) Borrower will not remove the Personal Property without the prior written consent of Lender, except the items of Personal Property which are consumed or worn out in ordinary usage shall be promptly replaced by Borrower with other Personal Property of value equal to or greater than the value of the replaced Personal Property.

Section 13.03 CHARACTERIZATION OF PROPERTY. The grant of a security interest to Lender in this Mortgage shall not be construed to limit or impair the lien of this Mortgage or the rights of Lender with respect to any property which is real property or which the parties have agreed to treat as real property. To the fullest extent permitted by law, everything used in connection with the production of Rents and Profits is, and at all times and for all purposes and in all proceedings, both legal and equitable, shall be regarded as real property, irrespective of whether or not the same is physically attached to the Land and/or Improvements.

Section 13.04 PROTECTION AGAINST PURCHASE MONEY SECURITY INTERESTS. It is understood and agreed that in order to protect Lender from the effect of J.C.C. Section 9-313, as amended from time to time and as enacted in the State, in the event that Borrower intends to purchase any goods which may become fixtures attached to the Property, or any part of the Property, and such goods will be subject to a purchase money security interest held by a seller or any other party:

(a) Before executing any security agreement or other document evidencing or perfecting the security interest, Borrower shall obtain the prior written approval of Lender. All requests for such written approval shall be in writing and contain the following information: (i) a description of the fixtures (ii) the address at which the fixtures will be located; and (iii) the name and address of the proposed holder and proposed amount of the security interest.

(b) Borrower shall pay all sums and perform all obligations secured by the security agreement. A default by Borrower under the security agreement shall constitute a default under this Mortgage. If Borrower fails to make any payment on an obligation secured by a purchase

UNOFFICIAL COPY

money security interest in the Personal Property or any fixtures, Lender, at its option, may pay the secured amount and Lender shall be subrogated to the rights of the holder of the purchase money security interest.

(c) Lender shall have the right to acquire by assignment from the holder of the security interest for the Personal Property or fixtures, all contract rights, accounts receivable, negotiable or non-negotiable instruments, or other evidence of indebtedness and to enforce the security interest as assignee.

(d) The provisions of subparagraphs (b) and (c) of this Section 13.04 shall not apply if the goods which may become fixtures are of at least equivalent value and quality as the Personal Property being replaced and if the rights of the party holding the security interest are expressly subordinated to the lien and security interest of this Mortgage in a manner satisfactory to Lender.

ARTICLE XIV MISCELLANEOUS COVENANTS

Section 14.01 NO WAIVER. No single or partial exercise by Lender, or delay or omission in the exercise by Lender, of any right or remedy under the Loan Documents shall preclude, waive or limit the exercise of any other right or remedy. Lender shall at all times have the right to proceed against any portion of, or interest in, the Property without waiving any other rights or remedies with respect to any other portion of the Property. No right or remedy under any of the Loan Documents is intended to be exclusive of any other right or remedy but shall be cumulative and may be exercised concurrently with or independently from any other right and remedy under any of the Loan Documents or under applicable law.

Section 14.02 NOTICES. All notices, demands and requests given or required to be given by, pursuant to, or relating to, this Mortgage shall be in writing. All notices shall be deemed to have been properly given if mailed by United States registered or certified mail, with return receipt requested, postage prepaid, or by United States Express Mail or other comparable overnight courier service to the parties at the addresses set forth in the Defined Terms (or at such other addresses as shall be given in writing by any party to the others) and shall be deemed complete upon receipt or refusal to accept delivery as indicated in the return receipt or in the receipt of such United States Express Mail or courier service.

Section 14.03 HEIRS AND ASSIGNS; TERMINOLOGY.

(a) This Mortgage applies to Lender, and Borrower, and their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Borrower" shall include both the original Borrower and any subsequent owner or owners of any of the Property.

(b) In this Mortgage, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

Section 14.04 SEVERABILITY. If any provision of this Mortgage should be held unenforceable or void, then that provision shall be separated from the remaining provisions and shall not affect the validity of this Mortgage except that if the unenforceable or void provision

UNOFFICIAL COPY

relates to the payment of any monetary sum, then, Lender may, at its option, declare the Secured Indebtedness immediately due and payable.

Section 14.05 APPLICABLE LAW. This Mortgage shall be construed and enforced in accordance with the laws of the State.

Section 14.06 CAPTIONS. The captions are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope or intent of any provisions of this Mortgage.

Section 14.07 TIME OF THE ESSENCE. Time shall be of the essence with respect to all of Borrower's obligations under this Mortgage and the other Loan Documents.

Section 14.08 NO MERGER. In the event that Lender should become the owner of the Property, there shall be no merger of the estate created by this Mortgage with the fee estate in the Property.

Section 14.09 NO MODIFICATIONS. This Mortgage may not be changed, amended or modified, except in a writing expressly intended for such purpose and executed by Borrower and Lender.

ARTICLE XV NON-UNIFORM COVENANTS

Section 15.01 USE OF PROCEEDS. The Borrower represents and agrees that the Secured Indebtedness is exempt from the limitation upon the amount of interest that may be charged under 815 ILCS 205/4 for one or more of the reasons set forth in such statute, and the Secured Indebtedness constitutes a business loan which comes within the purview of 815 ILCS 205/4.

Section 15.02 LIMITATION ON SECURED INDEBTEDNESS. It is expressly understood and agreed that the Secured Indebtedness will in no event exceed two hundred percent (200%) of (i) the total face amount of the Note plus (ii) the total interest which may hereafter accrue under the Note on such face amount.

Section 15.03 WAIVER OF HOMESTEAD AND REDEMPTION. Borrower releases and waives all rights under the homestead and exemption laws of the State of Illinois. Borrower acknowledges that the Property does not include "agricultural real estate" or "residential real estate" as those terms are defined in 735 ILCS 5/15-1201 and 5/15-1219. Pursuant to 735 ILCS 5/15-1601(b) Borrower waives any and all rights of redemption from sale under any order of foreclosure of this Mortgage or other rights of redemption which may run to Borrower or any other "Owner of Redemption", as that term is defined in 735 ILCS 5/15-1212. Borrower waives all rights of reinstatement under 735 ILCS 5/15-1602 to the fullest extent permitted by Illinois law.

Section 15.04 WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER AND LENDER HEREBY WAIVE THEIR RESPECTIVE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING AND/OR HEARING ON ANY

UNOFFICIAL COPY

MATTER WHATSOEVER ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, THE NOTE, THIS MORTGAGE OR ANY OF THE LOAN DOCUMENTS, OR THE ENFORCEMENT OF ANY REMEDY UNDER ANY LAW, STATUTE, OR REGULATION. NEITHER PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. EACH PARTY HAS RECEIVED THE ADVICE OF COUNSEL WITH RESPECT TO THIS WAIVER.

Section 15.05 SECURITIES LAWS. The membership interests evidenced by the Borrower's Organizational Documents have been issued in accordance with all applicable federal and state securities laws, or authorized exemptions from such securities laws, including, but not limited to, the Securities Act of 1933, as amended, the Securities and Exchange Act of 1934, and the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, as amended. The membership interests of Borrower have not been issued in violation of any federal, state or local securities law, and to the extent that these securities have been issued in reliance on exemptions from such federal or state securities law, all necessary steps have been taken to qualify for such exemptions. The members of Borrower have been properly notified of the restrictions on their ability to transfer, sell or otherwise dispose of their membership interests in Borrower. The name of Lender is not and will not be in any of the offering materials provided or to be provided to any person; provided, however, Borrower may disclose in writing the name of Lender to its members provided such disclosure specifically references the name of Lender in a lender's capacity only. There has not been any representation, whether written, oral or otherwise, that Lender in any way has participated or endorsed the offering of the membership interests in Borrower.

[execution page follows]

UNOFFICIAL COPY

IN WITNESS WHEREOF, Borrower has executed this Mortgage, or has caused this Mortgage to be executed by its duly authorized representative(s) as of the Execution Date.

BORROWER:

ELK GROVE TOWN CENTER, L.L.C.,
an Illinois limited liability company

By: 

Name: Todd Berlinghof

Its: Managing Member

Property of Cook County Clerk's Office

UNOFFICIAL COPY

STATE OF ILLINOIS)
) ss.
COUNTY OF DePage)

On November 6, 2003, before me, JOAN SABOURIN a Notary Public, personally appeared TOBB BERLINGHOF, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature Joan Sabourin (Seal)



My commission expires: 05/04/06

UNOFFICIAL COPY

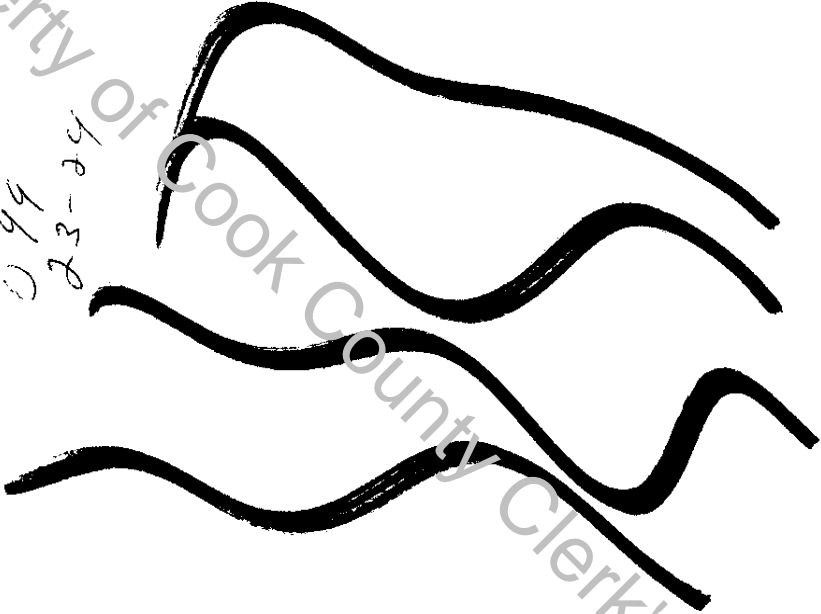
EXHIBIT A

TO MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING

PROPERTY DESCRIPTION

(See attached)

099
23-24
Property of Cook County Clerk's Office



UNOFFICIAL COPY

PARCEL 1:

THAT PART OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 32, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: : BEGINING AT THE INTERSECTION OF A LINE 765.00 FEET, AS MEASURED ALONG THE NORTH LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4, WEST OF AND PARALLEL WITH THE EAST LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4 WITH THE SOUTH LINE OF BIESTERFIELD ROAD AS OCCUPIED BEING A LINE 60.00 FEET AS MEASURED AT RIGHT ANGLES, SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE SOUTH 88 DEGREES 57 MINUTES 06 SECONDS EAST PARALLEL WITH THE NORTH LINE SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4, 520.00 FEET TO A LINE 245.00 FEET, AS MEASURED ALONG THE NORTH LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4 WEST OF AND PARALLEL WITH THE EAST LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE SOUTH 00 DEGREES 00 MIN 00 SECONDS EAST PARALLEL WITH THE EAST LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4, 199.99 FEET TO A LINE 260.00 FEET, AS MEASURED ALONG THE EAST LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4, SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE SOUTH 88 DEGREES 57 MINUTES 06 SECONDS EAST PARALLEL WITH THE NORTH LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4, 199.99 FEET TO THE WEST LINE OF ARLINGTON HEIGHTS ROAD AS WIDENED, BEING A LINE 45.00 FEET, AS MEASURED AT RIGHT ANGLES, WEST OF AND PARALLEL WITH THE EAST LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST PARALLEL WITH THE EAST LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4, 793.50 FEET TO THE NORTHEAST CORNER OF LOT 1 IN SERPECZ SUBDIVISION ACCORDING TO THE PLAT THEREOF RECORDED JANUARY 23, 1984, AS DOCUMENT NUMBER 26939494; THENCE NORTH 88 DEGREES 57 MINUTES 06 SECONDS WEST ALONG THE NORTH LINE OF SAID LOT 1, 125.02 FEET TO THE NORTHWEST CORNER OF SAID LOT 1; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS WEST ALONG THE NORTHERLY EXTENSION OF THE WEST LINE OF SAID LOT 1, 21.39 FEET, THENCE NORTH 88 DEGREES 57 MINUTES 06 SECONDS WEST PARALLEL WITH THE NORTH LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4, 542.46 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST PARALLEL WITH THE EAST LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4 137.89 FEET TO A LINE 1170.00 FEET, AS MEASURED ALONG THE EAST LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4, SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE NORTH 88 DEGREES 57 MINUTES 06 SECONDS WEST PARALLEL WITH THE NORTH LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4, 97.52 FEET TO A LINE 810.00 FEET AS MEASURED ALONG THE NORTH LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4, WEST OF AND PARALLEL WITH THE EAST LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST PARALLEL WITH THE EAST LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4, 884.99 FEET; THENCE SOUTH 88 DEGREES 57 MINUTES 06 SECONDS EAST PARALLEL WITH THE NORTH LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4, 45.00 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST PARALLEL WITH THE EAST LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4, 225.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

UNOFFICIAL COPY

NON EXCLUSIVE EASEMENT FOR INGRESS, EGRESS AND PARKING FOR THE BENEFIT OF PARCEL 1, AS CREATED BY RECIPROCAL EASEMENT AGREEMENT BETWEEN ELK GROVE VILLAGE, ELK GROVE TOWN CENTER, L. L. C. AND THE BOARD OF TRUSTEES OF THE VILLAGE OF ELK GROVE VILLAGE DATED AS OF MARCH 13, 1997 AND RECORDED AUGUST 5, 1997 AS DOCUMENT NUMBER 97566666 OVER THE LAND WEST AND ADJOINING AS DESCRIBED THEREIN.

PARCEL 3:

NON EXCLUSIVE EASEMENT FOR INGRESS, EGRESS AND PARKING FOR THE BENEFIT OF PARCEL 1, AS CREATED BY RECIPROCAL EASEMENT AGREEMENT BETWEEN ELK GROVE TOWN CENTER, L. L. C. AND BEVERLY TRUST COMPANY, AS TRUSTEE UNDER TRUST AGREEMENT DATED JUNE 24, 1997 AND KNOWN AS TRUST NUMBER 74-2478 DATED JULY 25, 1997 AND RECORDED AUGUST 5, 1997 AS DOCUMENT NUMBER 97566670 OVER THE LAND SOUTH AND ADJOINING AS DESCRIBED THEREIN.

Print# 08-32-202-021-0000

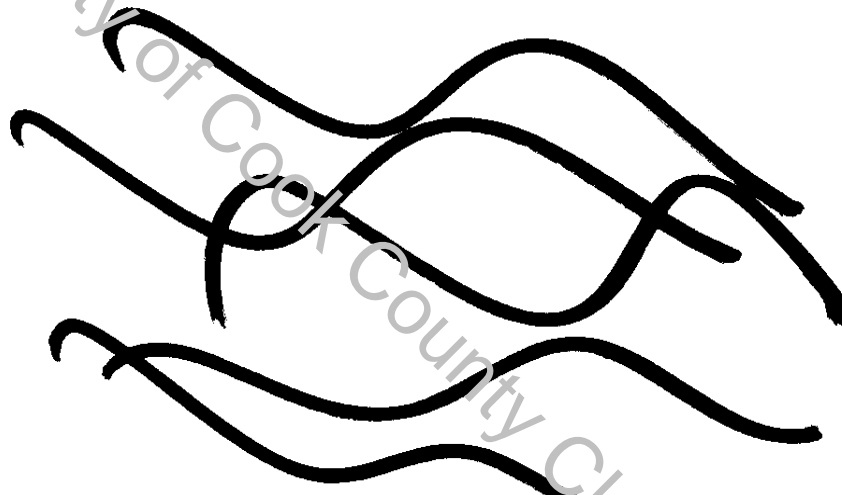
UNOFFICIAL COPY

EXHIBIT C

RENT ROLL

(See attached)

Property of Cook County Clerk's Office


A large, thick, black scribble consisting of several overlapping, wavy lines that completely obscures the text "Property of Cook County Clerk's Office" in the center of the page.

UNOFFICIAL COPY

Elk Grove Town Center, L.L.C.
 Rent Roll / Tenant Information Listing
 As Of October 31, 2003

UNIT#	TENANT	COMM. DATE	TERM DATE	SECURITY DEPOSIT	SQUARE FOOTAGE	BASE RENT	ESCALATION CAM	MONTHLY INSUR	TAX	TOTAL MONTHLY	ANNUAL RENT	RENEWAL OPTIONS
910	CHARTER ONE BANK	15-Mar-03	31-Mar-08	-	2,378	4,954.00	362.65	35.67	1,097.84	6,450.16	77,401.92	2 - 5 YEAR
914	PEARLE VISION CENTER	25-Nov-98	30-Nov-08	4,500.00	2,189	4,312.33	384.99	33.36	1,011.36	5,742.04	68,904.48	2 - 5 YEAR
916	NEXTEL	17-Jul-02	31-Jul-07	10,000.00	2,068	3,963.67	363.71	31.51	955.45	5,314.34	63,772.08	1 - 5 YEAR
920	VACANT				1,360	-	-	-	-	-	-	
930	WAL GREENS	12-May-98	31-May-98	-	13,905	22,016.25	Upon Billings			22,016.25	264,195.00	NONE
948	CUCINA ROMA (Lease Amended dated July 22, 1998 and January 20, 1999)	1-Sep-99	31-Aug-09	10,535.00	9,152	14,224.00	1,609.63	139.47	4,228.59	20,201.49	242,417.88	2 - 5 YEAR
950	LAMAGDELENA (Lease Renewal Amendment dated June 30, 2003)	15-Dec-98	31-Dec-08	8,053.83	5,192	7,519.75	913.15	79.12	2,398.80	10,910.82	130,929.84	NONE
954	EDWARD JONES (Lease Renewal Amendment dated September 8, 2003)	1-Oct-98	30-Sep-08	-	700	1,313.00	123.11	10.17	323.41	1,770.19	21,242.28	NONE
956	TOWN CLEANERS	7-May-02	31-May-07	2,845.00	1,082	2,254.17	190.30	16.49	499.90	2,960.86	35,530.32	1 - 5 YEAR
958	DR. JOHN GORRELL	3-Sep-02	30-Sep-12	4,175.00	2,000	3,083.33	357.75	30.48	924.04	4,389.60	52,675.20	2 - 5 YEAR
960	KINKO'S COPIES (Lease Renewal Amendment dated September 18, 2003)	28-Dec-98	31-Oct-08	-	6,044	8,058.6	1,285.00	72.00	3,173.00	12,588.67	151,064.04	1 - 5 YEAR
968	FANNIE MAY CANDY (Notice to Exercise Option dated June 25, 2003)	1-Jan-99	31-Dec-08	-	1,264	2,191.56	222.31	19.26	583.99	3,316.12	39,793.44	NONE
980	DOMINICK'S #3159	12-May-98	31-May-18	-	72,365	14,826.72	Upon Billings			14,826.72	897,920.64	5 - 5 YEAR
990	WASHINGTON MUTUAL Lease Executed October 31, 2003 - Tenant Improvement Allowance of \$53,316.16 to be paid upon commencement of lease. Free base rent given for months 1 - 2 of lease term.				1,051	Commencement expected March 2004 - Initial Minimum rent \$5,021.44.						3 - 5 YEAR
992	HAIR ENCOUNTER (First Lease Renewal Agreement dated May 30, 2003)	18-Oct-00	31-Oct-06	3,432.67	1,724	2,586.00	303.21	26.27	796.52	3,712.00	44,544.00	1 - 3 YEAR
1000	BLOCKBUSTER	13-May-99	31-May-04	-	5,578	8,599.42	938.39	85.00	2,705.33	12,328.14	147,937.68	3 - 5 YEAR
1020	EMO ARCHITECTS	1-Mar-02	28-Feb-07	2,598.86	1,777	1,628.92	312.53	27.08	821.01	2,789.54	33,474.48	1 - 3 YEAR
		TOTAL SQUARE FOOTAGE:			131,849							
		TOTAL SEC. DEPOSITS		46,140.36		161,830.79	7,360.73	606.38	19,519.04	189,316.94	\$2,238,328.80	

All rents have been paid through October 2003, except Cucina Roma rent has been paid through September 2003.

ELK GROVE TOWN CENTER, L.L.C.
 an Illinois limited liability company
 CERTIFIED BY: 
 Todd Bellinghof, Managing Member
 DATE: Oct 31, 2003

UNOFFICIAL COPY

EXHIBIT D

LEASES CONTAINING ENVIRONMENTAL REPRESENTATIONS, WARRANTIES OR COVENANTS

TENANT

ENVIRONMENTAL PROVISIONS

Dominick's

Sections 6.1; 10.11(b)

Walgreens

Section 11(a)

Cold Stone Creamery Leasing Co, Inc.

Section 7.8(c)

Blockbuster

Sections 8(a); 13(c)

Edward Jones

Addendum A-9

Kinko's

Section 14

Washington Mutual

Section 7.8(d)